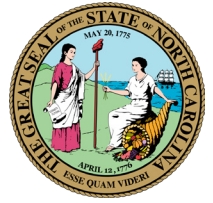


THE MONITOR

North Carolina Office of the State Auditor
State Auditor Beth A. Wood, CPA
Quarterly Newsletter

NCOSA
The Taxpayers' Watchdog



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PERFORMANCE AUDIT REPORTS

Performance audits conducted by OSA provide independent and objective analysis of agency management practices and operational results to state leaders and the public. Audit findings and recommendations help improve performance, strengthen accountability, and enhance transparency of state government programs.

- On June 7, 2023, OSA released a report that found that between July 1, 2020, and June 30, 2022, \$128 Million of Workforce Innovation and Opportunity Act (WIOA) grant funds for programs meant to provide employment, education, and training services to job seekers in need was spent with no monitoring reviews. WIOA funds are administered by the Department of Commerce, Division of Workforce Solutions. [Click here](#) to read the full report.
- A report issued on March 29, 2023, on the Volunteer Fire Department Fund administered by the North Carolina Department of Insurance (DOI) found that between January 1, 2021, through October 31, 2022, Volunteer Fire Department Fund grants totaling \$56.2 million were not distributed in accordance with DOI policy. [Click here](#) to read the full report.

INVESTIGATIVE AUDIT REPORTS

OSA is required by state law to investigate any allegations of fraud, waste and abuse of state tax dollars within government agencies and by private groups that receive state money or other support.

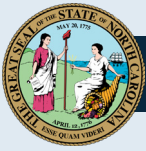
- A report issued May 25, 2023, found that the former Superintendent of Scotland County Schools received a \$15,068 overpayment at the time of his retirement, as well as 704 hours of retirement service credit for which he was not entitled to receive. [Click here](#) to read the full report.
- A report issued March 22, 2023, found that from 2017-2021, Hamilton Fire-EMS did not issue W-2s to seven individuals in the amount of \$52,670 for firefighting and emergency medical response services. [Click here](#) to read the full report.

Single Statewide Audit

On April 5, 2023, OSA posted the annual Statewide Single Audit of federal funds the State receives each year. These funds primarily take the form of grants such as Medicaid, Student Financial Aid, funds to build highways and bridges, and, more recently, financial assistance for programs to aid in the response to the COVID-19 pandemic. Noteworthy findings included:

- Inadequate monitoring of Coronavirus Relief Funds by the North Carolina Pandemic Recovery Office (see page 20).
- Errors in Emergency Rental Assistance program spending by the Department of Public Safety (page 22).
- Inadequate monitoring of the Education Stabilization Fund – Elementary and Secondary School Emergency Relief program by the Department of Public Instruction (page 33).
- Errors in the Medicaid billing and payment process by the Department of Health and Human Services (page 50).
- Deficiencies in the Medicaid Eligibility Determination Process by the Department of Health and Human Services (page 52).

[Click here](#) to read the full report.



AUDITOR'S FINDINGS

The most rewarding part of being your State Auditor is the satisfaction in knowing that the work of this office results in meaningful outcomes in the improvement of efficiencies in the operations of state government.

Case in point is the recent Performance Audit of the Department of Transportation (DOT) issued on April 27, 2023, on its Spending Plan for FY2022.

To provide context, OSA issued an audit report in May of 2020 that found that DOT exceeded its FY2019 Spending Plan by \$742 million (12.5%). At that time, OSA recommended that 1) DOT develop its Spending Plan based on specific projects and operations, and 2) monitor and enforce highway division compliance with the Spending Plan. OSA conducted a subsequent audit of DOT's Spending Plan for the first half of FY2021 (July through December 2020) and found that although it had not exceeded its Spending Plan, DOT was still at risk to do so because it had not implemented OSA recommendations provided in May of 2020.

I was delighted to report that in OSA's most recent audit, DOT stayed within its FY2022 Spending Plan of \$6.86 billion (it actually spent \$6.34 billion), and implemented our recommendations to more effectively monitor its spending, further ensuring taxpayer dollars are being administered wisely, and to minimize wasteful spending due to lack of planning or oversight.

~Beth



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OSA IN THE NEWS

- [NC again lacked oversight in federal COVID-19 money](#) – News & Observer, April 11, 2023
- [Audit finds reporting errors for NC schools' pandemic funds](#) – WCNC-TV, April 12, 2023
- [Audit: NCDHHS non-compliant with fed rules on eligibility for Medicaid and other programs](#) – Carolina Journal, April 18, 2023
- [Carolina Business Review](#) – UNC-TV, May 7 through May 10
- [DOT receives good news in latest audit](#) – North State Journal, May 25, 2023
- [NCDOT awarded millions in fire grants...](#) -- CBS17, May 30, 2023

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