

State's LAB Celebrates 50 Years of Service

Written by Kathleen Vinehout, State Senator 31st District

Tuesday, 13 September 2016 12:43 - Last Updated Tuesday, 13 September 2016 13:31

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For 50 years, the Legislative Audit Bureau has worked quietly behind the scenes monitoring funds and agencies to ensure state government delivers quality services.

MADISON - “Happy Birthday!” I told eighty auditors and other legislative leaders at a recent Capitol gathering. The nonpartisan Legislative Audit Bureau (LAB) recently celebrated 50 years of service to the people of the State of Wisconsin.

LAB is the agency that works quietly behind the scenes to ensure state government delivers quality services. The agency has earned high marks for its work in national circles and criticism from both sides of the aisle in its detailed depiction of problems and recommended changes to state government.

As described in the words of former State Auditor Janet Mueller, the LAB serves as “the Steward of the People’s Money.”

You might not have heard of the LAB, but they work methodically to ensure your tax dollars are well spent.

Half of the Audit Bureau team focuses on financial auditing. As a highly trained team of certified public accountants, these professionals are skilled in government accounting. They check and recheck records, and in some cases, must reconstruct records to review the accuracy of agencies’ reports.

The financial auditors are responsible for completing many audits required by state and federal law. Their work includes monitoring funds overseen by the State Investment Board; the State Lottery Fund; the State of Wisconsin itself and the Single Audit – a comprehensive accounting of all federal dollars flowing through state government. The details of the Single Audit are truly

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astounding as, thirty cents of every dollar the state spends is from Uncle Sam - with some programs larger. For example, forty cents of every transportation dollar spent is federal as is fifty cents of every health dollar spent.

Financial auditors answer questions like “How much money was spent?” and “Are adequate safeguards in place to assure money was properly accounted for?”

Program auditors make up the other half of the Audit Bureau team. They answer questions about state programs such as “How well is the program working?” and “How might the state improve service delivery?”

Program auditors often work closely with financial auditors. For example, the troubled Wisconsin Economic Development Corporation's performance was examined thoroughly by both financial and program auditors in three separate audits.

Early audits of WEDC showed no clear budget or consistent accounting practices in an agency that distributes tens of millions in grants and loans and hundreds of millions in tax credits. Even the most recent audit found WEDC lost track of loans. Millions in other loans were written off when companies failed to deliver promised jobs. WEDC broke federal rules and, as a consequence, Wisconsin paid penalties. Remarkably, WEDC failed to independently verify that companies given tax dollars to create jobs actually did as they promised.

Sometimes the auditors do such a good job, state leaders want to get rid of them. I think of this as “Killing the Messenger.” For example, in the FY 15-17 Governor's budget, he removed the requirement for LAB to financially audit WEDC. Thankfully the legislature replaced the requirement, and LAB will issue a new WEDC audit this spring.

Following the release of the third disturbing audit of the WEDC, two Assemblymen, Rep. Craig (R-Big Bend) and Rep. Jarchow (R-Balsam Lake) circulated a bill to abolish the nonpartisan Legislative Audit Bureau and replace the agency with partisan “Inspector Generals” to be housed in the very agencies they oversee.

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Again, thoughtful lawmakers prevailed and the bill died. Wisconsin needs more nonpartisan oversight, not less. We need LAB's steadfast efforts in evaluating the effectiveness and efficiency of state government.

Later this month, the Legislative Audit Committee, which I serve as ranking minority member, will meet to take up a new crisis in state government: the care of veterans at the Wisconsin King Veterans Home.

All citizens can contact the Legislative Audit Bureau through a toll free hotline (1-877-FRAUD-17) for citizens to report fraud, waste and mismanagement in state government.

Congratulations to State Auditor Joe Chrisman and his dedicated staff, and to former state auditors Jan Mueller and Dale Cattanach who helped make LAB the award winning team it is today. Wishing the LAB many more years of service as the Steward of the People's Money!