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STATE AUDITOR

2021

IN REVIEW

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2021: A Year of Historic Accountability, Transparency and Collaboration

In 2021, the State Auditor's Office was committed to delivering accountability, transparency and collaboration to Delawareans. I made it my priority to improve the level of transparency in the First State. My team and I also continued to support our state during the COVID-19 pandemic, and we made sure there was appropriate accountability and transparency surrounding federal relief funding for the pandemic. Each week, we updated our CARES Act fund tracker.

This year, I also created a historic accountability and transparency initiative called Project: Gray Fox. Project: Gray Fox is an interactive portal housed on the State Auditor's website that allows anyone to track how the State of Delaware and individual state agencies, school districts and municipalities are spending the money from the federal American Rescue Plan (ARP) Act. Throughout the year, my team and I have worked to gain support for this initiative from many different entities across the state.

The office also continued to perform various engagements and audits of Delaware taxpayer money. We also monitored fraud, waste and abuse through our fraud hotline. In Fiscal Year 2021, we received over 1,000 communications on our fraud hotline. Thanks to the diligent work of Delawareans, the State Auditor's office is able to review reported cases of fraud, waste and abuse of your taxpayer money.

I am excited to continue serving Delawareans with the commitment of improving accountability and transparency in 2022 and beyond.

Here are highlights of some key accomplishments of the my Office in 2021.

KEY INITIATIVES



Project: Gray Fox

In March, the federal government passed the American Rescue Plan (ARP) Act through Congress. This historic \$1.9 trillion package allowed for critical investments in communities across the country and in Delaware. As a part of the American Rescue Plan, the State of Delaware received over \$1.25 billion, with much of that going directly to municipal governments. This was likely the most money some municipalities had ever managed.



Given that Delaware's 19 school districts and

all state agencies use the state accounting system, the Auditor's Office pulls expenditures and directly upload those transaction amounts to our Gray Fox Portal, located at [Grayfox.delaware.gov](https://grayfox.delaware.gov).

In May, I launched **Project: Gray Fox**, an ARP transparency portal. Under Project: Gray Fox, Delaware's state agencies, school districts and municipal governments can input their ARP spending directly into a portal on our website, Grayfox.delaware.gov. On the same website, all Delaware taxpayers can monitor how their local government is spending these funds. In this way, the Project: Gray Fox initiative provides accountability for state entities and transparency for Delawareans.

Throughout the year, my team worked to garner support for this initiative from state agencies, school districts and local governments. In the office, my team and I contacted each local government entity to explain Project: Gray Fox and to ask them to participate. Out of the office, I met with various local leaders to thank those who had joined Project: Gray Fox and discussed the benefits of doing so with those who had not yet done so. I also went directly to the people of Delaware and discussed Project: Gray Fox at community centers and various meetings.

In September, we embarked on the Gray Fox Tour, a series of statewide town halls. During these critical gatherings, my team and I presented information on the initiative and answered important questions from Delawareans. So far, we have held four town halls and are looking forward to hosting more in the future.

- **Created a historic transparency and accountability initiative of American Rescue Plan funds spending**
- **Encouraged participation in this project by meeting with local communities and their elected officials**
- **Developed an online portal that makes it easy for Delawareans to see how their local governments are spending federal COVID relief funds.**

111 Million Reasons Why...

Among the purposes of the Auditor's Office are improving government efficiency and identifying ways to save taxpayer money. My team is an integral partner in establishing and maintaining good governance for all Delawareans.

To reinforce collaboration with other state officials, I created the Follow-Up Program to review whether previously audited agencies have implemented auditors' recommendations for improvement. Our audits and special reports identify opportunities for the State of Delaware to improve the way it does business, and this program will evaluate whether agencies are implementing our recommendations to improve how they spend taxpayer dollars.

In the first six months of 2021, I released three reports that identified \$111.6 million in efficiency savings, government overspending and potential tax revenue. Here are some highlights:

- The State Auditor's office released a report in January concluding that the state was missing out on more than \$43 million in annual tax revenue by not legalizing recreational marijuana.
- In February, we released a special report that found the Delaware Department of Corrections could have saved \$44 million over 7 years on prison prescription costs.
- In June, my office issued a report that found the state overpaid its Pharmacy Benefit Manager (PBM) by \$24.5 million over three years.

- In July, we released a special report that reviewed information from Delaware’s COVID-19 pandemic dashboard involving vaccines administered to residents and staff of long-term care facilities (LTCFs).
- In October, my office released reports on Career and Technical Education spending in eight school districts.
- In December, we released our popular Annual Fire Report, which found Delaware’s mostly volunteer fire service saved state taxpayers about \$255.7 million in FY2021.



DID YOU KNOW?

I created the first-ever Risk Assessment Survey in 2019. This survey helps determine what audits the State Auditor’s Office conducts the following fiscal year.

Now in its third year, the Risk Assessment Survey was recently highlighted in the Government Efficiency and Accountability Review (GEAR) Board’s year-end report.

TEAMMATE+

Our engagements have fiscal meaning to help ensure Delawareans get a fair deal, and that’s why my office is migrating from TeamMate AM to TeamMate Plus: to ensure my audit team is using the most cutting-edge software for our engagements. This months-long migration will drastically improve our workflow efficiency along with tracking how much time my audit team spends on engagements.

Oversight.Gov

After collaborating for over a year with several Inspectors General nationally, I am proud to say that Oversight.gov, a website that contains publicly accessible reports, investigations and recommendations from state and local governments across the country, **ranked your Auditor’s Office No. 2 for reporting totals.** My office continues to collaborate with multiple states and agencies while working diligently to ensure we align with best practices set forth nationwide.

Looking Ahead

As we enter 2022, the State Auditor’s Office remains committed to accountability and transparency. I look forward to continuing our work on Project: Gray Fox and monitoring the spending of the American Rescue Plan funds. There are many engagements in the works—look for 2022 to be a record year at the state Auditor’s Office!

I am grateful for the hard work and dedication of my staff and look forward to an equally, if not more, momentous 2022.

Thank you and stay safe.

Sincerely,

Kathleen McGuinness, RPh, CFE

Delaware State Auditor