



STATE OF WISCONSIN

Legislative Audit Bureau

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Janice Mueller
State Auditor

December 17, 2010

Senator Kathleen Vinehout and
Representative Peter Barca, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Vinehout and Representative Barca:

We have completed our financial audit of the State of Wisconsin as of and for the fiscal year ended June 30, 2010. The State's financial statements, and our unqualified audit opinion on them dated December 10, 2010, were included in the State's Comprehensive Annual Financial Report, which can be found on the Department of Administration's Web site.

During the course of our audit, we identified internal control concerns that are required to be reported under *Government Auditing Standards*. The enclosed management letter includes our report on internal control over financial reporting and on compliance. In that report, we make recommendations for various state agencies to improve their financial reporting and to strengthen internal controls, including those over security of computer programs and electronic data. The management letter was provided to the Department of Administration and to other agencies to which we made recommendations for improvement. We will follow up during next year's audit to determine the extent to which state agencies have addressed these concerns.

In addition, early next year, we plan to report to the Joint Legislative Audit Committee certain budgetary accounting concerns identified during our audit.

We appreciate the courtesy and cooperation extended to us by the Department of Administration and other state agencies during the audit.

Sincerely,

Janice Mueller
State Auditor

JM/BN/bm

Enclosure

cc: Senator Robert Jauch
Senator Mark Miller
Senator Robert Cowles
Senator Mary Lazich

Representative Andy Jorgensen
Representative Mark Pocan
Representative Bill Kramer
Representative Samantha Kerkman

Daniel J. Schooff, Secretary
Department of Administration

Stephen Censky, State Controller
Department of Administration