



## WISCONSIN STATE LEGISLATURE

# Joint Audit Committee

Committee Co-Chairs:

State Senator Robert Cowles

State Representative Samantha Kerkman

NEWS RELEASE  
FOR IMMEDIATE RELEASE  
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### **Audit Examines State's Administration of \$12 Billion in Federal Funds**

MADISON – Today, the nonpartisan Legislative Audit Bureau (LAB) released its Single Audit, which evaluated state agencies' administration of \$12 billion in federal financial assistance during fiscal year (FY) 2014-15. Although state agencies generally complied with federal requirements, LAB qualified its opinion on compliance for 1 of the 24 programs it reviewed.

LAB questioned nearly \$2.0 million in costs charged to federal programs and provided 29 recommendations to improve the State's administration of federal grant programs. Included among these were 19 recommendations made to address concerns from the last single audit report (report 15-2) that remained unresolved.

"Again the Legislative Audit Bureau has done excellent work," said Representative Samantha Kerkman (R-Salem). "I appreciate the continuity provided by the inclusion of repeat recommendations."

"State Agencies need to address the recommendations of the Audit Bureau and fix these issues. Allowing these problems to linger is costly to our state," said Senator Cowles (R-Green Bay).

LAB found that the Department of Health Services (DHS) inappropriately charged \$920,539 of unallowable costs to federal accounts because it did not have sufficient procedures in place to ensure transactions were reasonable and free of material errors. LAB also found that DHS did not refer certain caregiver misconduct cases to the Medicaid Fraud Control and Elder Abuse Unit in the Wisconsin Department of Justice.

LAB found the University of Wisconsin-Madison did not reduce costs charged to federal awards by the amount of purchasing card rebates it received and estimates that \$127,000 of those rebates should have been considered offsets to costs charged to federal programs in FY 2014-15. LAB also found that if the Department of Administration (DOA) had not continued to accumulate certain excess balances and lapse funds related to certain centralized services it provides to other state agencies, such as mainframe computer processing, the State could have retained \$1.9 million for use directly on federal grant programs instead of being required to return that amount to the federal government. LAB also identified nine findings related to DOA's administration of the Community Development Block Grant and the Home Investment Partnerships Program, many of which were repeat findings from prior audits.

The federal government will work with state agencies to resolve LAB's audit findings. Copies of LAB's report (report 16-5) may be obtained from its website at [www.legis.wisconsin.gov/lab](http://www.legis.wisconsin.gov/lab) or by calling (608) 266-2818.

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