



State of Wisconsin FY 2017-18 Single Audit

Background

As a condition of receiving federal funds, state agencies must meet the audit requirements of the federal Single Audit Act of 1984, as amended, and of the federal Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Single Audit Act requires there to be one audit of federal programs. This audit also incorporates our annual audit of the State's financial statements, which were included in the Comprehensive Annual Financial Report (CAFR) issued by the Department of Administration (DOA). We performed the single audit for fiscal year (FY) 2017-18 at the request of state agencies that administered federal financial assistance. This audit also assists us in fulfilling our audit responsibilities under s. 13.94, Wis. Stats.

During FY 2017-18, state agencies administered [\\$11.9 billion in federal financial assistance](#), including \$10.7 billion in cash assistance; \$917.0 million in noncash assistance, such as food commodities; and \$196.9 million in outstanding federal loan balances. We audited [16 federal programs](#) that accounted for 73.0 percent of the federal financial assistance administered by state agencies in FY 2017-18. We evaluated [internal controls](#), tested for [compliance with federal requirements](#), and [followed up on findings](#) from the FY 2016-17 single audit (report 18-5).

Audit Results and Key Findings

We provided an [unmodified opinion](#) on federal compliance for 14 of the 16 federal programs we reviewed. We [qualified our opinion](#) on compliance related to cash management requirements for the 2 other federal programs. Although state agencies generally complied with federal requirements, we made 14 recommendations to improve the administration of federal programs, including at [DOA](#), the [Department of Children and Families \(DCF\)](#), the [Department of Health Services \(DHS\)](#), the [Department of Public Instruction \(DPI\)](#), the [University of Wisconsin System](#), and the [Wisconsin Technical College System \(WTCS\)](#).

We found:

- [DOA did not always minimize](#) the time between when the State requested and received federal funds and when the State disbursed funds for grant purposes. Due to the significance of this finding to two programs administered by DPI, we qualified our opinion on compliance for these programs.
- [DHS paid Medical Assistance \(MA\) Program claims to terminated providers](#). These claims resulted in a total of \$69,970 in improper payments.
- [DHS paid 70 claims for inmate medical services that were not eligible](#) under the State's MA Plan. These claims resulted in a total of \$9,235 in improper payments.
- [DCF did not collect \\$259,308 in child care provider overpayments](#) that it identified from January 2017 through June 2018.
- DHS, DPI, and WTCS were each noncompliant with requirements for monitoring subrecipients of federal funding.

Audit Recommendations

In addition to the 14 recommendations we made to improve the administration of federal programs, we made [10 recommendations](#) related to internal controls over financial reporting from our audit of the State's FY 2017-18 financial statements (report 18-20). Agency responses and corrective action plans are included in the report, and the federal government will work with state agencies to resolve the concerns we identified.

[View Report 19-3 Highlights](#)