

State of Wisconsin FY 2018-19 Single Audit

Report 20-3 | March 2020

LEGISLATIVE AUDIT BUREAU

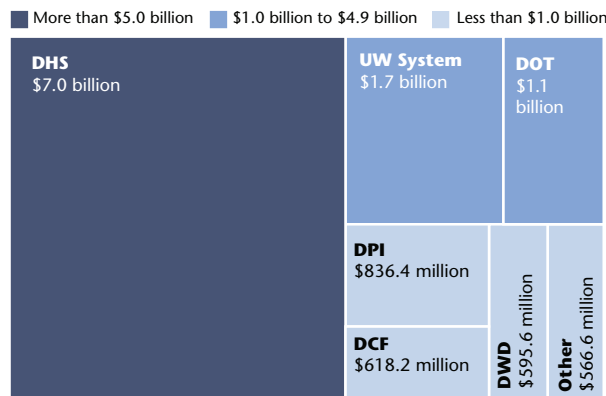
ESUMMARY

As a condition of receiving federal funds, state agencies must meet the audit requirements of the federal Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the Single Audit Act of 1984, as amended. The Single Audit Act requires there to be one comprehensive audit of federal programs. This single 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).

State Agencies Administered \$12.4 billion in Federal Financial Assistance

During fiscal year (FY) 2018-19, state agencies administered \$12.4 billion in federal financial assistance including \$11.2 billion in cash assistance; \$945.8 million in noncash assistance, such as food commodities; and \$179.6 million in outstanding federal loan balances. During FY 2018-19, 95.4 percent of the State of Wisconsin's federal financial assistance was administered by six state agencies: the departments of Health Services (DHS), Transportation (DOT), Public Instruction (DPI), Workforce Development (DWD), and Children and Families (DCF), as well as the University of Wisconsin (UW) System. We audited 16 federal programs that accounted for 51.2 percent of the federal financial assistance administered by state agencies in FY 2018-19.

Federal Financial Assistance Administered by State Agencies | FY 2018-19



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Opinions

We provided an unmodified opinion on federal compliance for 13 of the 16 federal programs we reviewed.

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Recommendations

We made nine recommendations to four state agencies to improve administration of federal programs.

We evaluated internal controls, tested for compliance with federal requirements, and followed up on findings and recommendations from our FY 2017-18 single audit (report 19-3). We made nine recommendations to four state agencies—DOA, DHS, the Department of Military Affairs (DMA), and DPI—to improve administration of federal programs.

Our recommendations addressed the following:

- DHS and DPI did not always minimize the time between when federal funds were requested and received and when the agencies disbursed funds for program purposes.
- DHS did not fully comply with federal regulations and state policies and procedures to ensure the security of information technology systems for the Medical Assistance Program.
- DMA could not demonstrate that extension requests were submitted for the National Guard Military Operations and Maintenance Projects program. As a result, we questioned a total of \$271,198 in expenditures.
- DOA and DMA did not have sufficient internal controls related to the preparation of certain federal reports.

In addition, we made five recommendations related to internal controls over financial reporting from our audit of the State's FY 2018-19 financial statements (report 19-30). 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.



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Address questions regarding this report to the State Auditor at (608) 266-2818 or at AskLAB@legis.wisconsin.gov.