

Management Advisory Report

Single Audit of the State of
Wisconsin for the Fiscal Year Ended
June 30, 2018

Single Audit of the State of Wisconsin for the Fiscal Year Ended June 30, 2018 A-77-19-00006



May 2019

Office of Audit Report Summary

Objective
To report internal control weaknesses, non-compliance issues, and unallowable costs identified in the single audit to the Social Security Administration (SSA) for resolution action.
Background
A single audit is an organization-wide financial statement and Federal awards' audit of a non-Federal entity that expends \$750,000 or more in Federal funds in 1 year. It is intended to assure the Government that a non-Federal entity has adequate internal controls in place and is generally in compliance with program requirements. Non-Federal entities typically include States, local governments, Indian tribes, universities, and non-profit organizations.
The State of Wisconsin Legislative Audit Bureau conducted the single audit of the State of Wisconsin. SSA is responsible for resolving single audit findings related to its disability programs. The Wisconsin Department of Health Services (DHS) is the Wisconsin Disability Determination Services' (DDS) parent agency.

Finding

The single audit reported the Wisconsin DHS did not have adequate procedures to minimize the time that elapsed between Federal cash draws and the related disbursements. The Department of Health and Human Services will resolve this finding on the Government's behalf. Therefore, we are not making a recommendation.

MEMORANDUM

Date: May 16, 2019 **Refer To:**

To: Trae Sommer
Acting Director
Audit Liaison Staff

From: Assistant Inspector General for Audit

Subject: Single Audit of the State of Wisconsin for the Fiscal Year Ended June 30, 2018 (A-77-19-00006)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Wisconsin for the Fiscal Year ended June 30, 2018.¹ The State of Wisconsin Legislative Audit Bureau conducted the audit. Our objective was to report internal control weaknesses, non-compliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

BACKGROUND

A single audit is an organization-wide financial statement and Federal awards' audit of a non-Federal entity that expends \$750,000 or more in Federal funds in 1 year. It is intended to assure the Government that a non-Federal entity has adequate internal controls in place, and is generally in compliance with program requirements. Non-Federal entities typically include States, local governments, Indian tribes, universities, and non-profit organizations.

For single audit purposes, the Office of Management and Budget assigns Federal programs a Catalog of Federal Domestic Assistance (CFDA) number. CFDA number 96 identifies SSA's Disability Insurance (DI) and Supplemental Security Income (SSI) programs. SSA is responsible for resolving single audit findings reported under this CFDA number.

The Wisconsin Disability Determination Services (DDS) performs disability determinations under SSA's DI and SSI programs in accordance with Federal regulations. SSA reimburses the DDS for 100 percent of allowable costs. The Wisconsin Department of Health Services (DHS) is the Wisconsin DDS' parent agency.

¹ *State of Wisconsin FY 2017-18 Single Audit* (March 27, 2019).

RESULTS

The single audit reported the Wisconsin DHS did not have adequate procedures to minimize the time that elapsed between Federal cash draws and the related disbursements.² The corrective action plan indicated the Wisconsin DHS updated its procedures for the timing of Federal cash draws.

The single audit identified multiple Federal agencies, including SSA, responsible for resolving this finding. However, the Department of Health and Human Services will resolve this finding on the Government's behalf. Therefore, we are not making a recommendation.

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards requires that Federal awarding agencies issue a management decision on findings within 6 months of acceptance of the audit report by the Federal Audit Clearinghouse. The Federal Audit Clearinghouse accepted the single audit of the State of Wisconsin on March 28, 2019.

If you have questions, contact OIG.Audit.Kansas.City@ssa.gov.



Rona Lawson

Attachment

² See Footnote 1, Finding 2018-100.

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