

Management Advisory Report

Single Audit of the State of
Wisconsin for the Fiscal Year
Ended June 30, 2011

***Single Audit of the State of Wisconsin for the Fiscal Year Ended
June 30, 2011
A-77-13-00005***



February 2013

Office of Audit Report Summary

Objective

To report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to the Social Security Administration (SSA) for resolution action.

Background

The 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 Insurance program. The Department of Health Services is the Wisconsin Disability Determination Bureau's (DDB) parent agency.

Findings

The single audit reported the Wisconsin Department of Administration lapsed funds from the internal service funds, accounts, and billable cost pools to the State's General Fund to help address budget shortfalls. Charges to the Government, including SSA, generated these funds. The estimated Federal share of the lapsed funds was \$850,000.

Recommendations

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 bringing this matter to SSA's attention, but we are not making a recommendation.

MEMORANDUM

Date: February 27, 2013 **Refer To:**

To: Gary S. Hatcher
Senior Advisor
Records Management and Audit Liaison Staff

From: Inspector General

Subject: Single Audit of the State of Wisconsin for the Fiscal Year Ended June 30, 2011 (A-77-13-00005)

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, 2011.¹ Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

The Wisconsin Legislative Audit Bureau conducted the audit. The results of the desk review conducted by the Department of Health and Human Services (HHS) concluded that the audit generally met Federal requirements. In reporting the results of the single audit, we relied entirely on the internal control and compliance work conducted by the Wisconsin Legislative Audit Bureau and the HHS reviews. We conducted our review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

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

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

¹ *State of Wisconsin, FY 2010-2011 Single Audit*, <http://legis.wisconsin.gov/lab/reports/12-6full.pdf>, (last viewed January 28, 2013).

The single audit reported the Wisconsin Department of Administration lapsed funds from the internal service funds, accounts, and billable cost pools to the State's General Fund to help address budget shortfalls. Charges to the Government, including SSA, generated these funds.² The estimated Federal share of the lapsed funds was \$850,000.³ The corrective action plan indicates the State will reimburse the Government once the final Federal share of lapsed funds is determined.

The single audit identified multiple Federal programs, including SSA, responsible for resolving this finding. However, HHS will resolve this finding on the Government's behalf. Therefore, we are bringing this matter to your attention, but we are not making a recommendation.

Please send copies of the final Audit Clearance Document to Shannon Agee. If you have questions, contact Shannon Agee at (877) 405-7694, extension 18802.



Patrick P. O'Carroll, Jr.

Attachment

cc:

Lynn Bernstein

² Id. at finding WI-11-1.

³ The single audit did not report the lapsed funds amounts by individual Federal program.

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