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To: Interested Parties

From: Ann Marie Anderson, CPA
Single Audit Section

Re: 2011 update to the *DHS Audit Guide*

All audits involving DHS funding are to be performed in accordance the *DHS Audit Guide*, and the 2011 update to this guide is available at www.ssag.state.wi.us.

Following is a summary of the notable changes in the 2011 revision compared to the 2010 revision:

- Section 1.2.2 and Section 3.7 – The Medicaid Personal Care Program administered by counties and 51 boards is now a state major program that needs program testing each year when billings under the county or board’s provider number exceed \$100,000. The program had previously been a Type A program that needed a risk assessment every year and program testing when the risk was not assessed as low.
- Section 1.7 – Some of the grants under the American Recovery and Reinvestment Act ended during 2011, and some of those grants require close-out reports. We ask auditors to review the close-out requirements and supporting documentation.
- Section 2.3.3 – We are presenting a new draft “Settlement of DHS Cost Reimbursement Awards” for comment. We are considering phasing in this report starting with the 2012 audits, and one of the options we are considering it to require the schedule and the IRS 990 in lieu of an audit for small, low risk agencies. In the meantime, we might ask for the schedule on a case by case basis when we need additional information in order to understand the expenditures that an agency reported for reimbursement.
- Section 3 is applicable primarily to OMB Circular A-133 audits of local governments. We added identifiers for audit procedures with request that findings include the identifier to help in tracking the findings by procedure. We also ask that all questions be sent by email to DHSAuditors@Wisconsin.gov and include the name of the auditee and the identifier for the audit procedure. This gives a record of questions and responses for respective audit files.
- Sections 3.2 CIP I/BIW, 3.5 CIP II/COP-W, and 3.18 CLTS are substantially shorter. Program managers increased their program monitoring, and they have removed sections related to topics that they are coving through those efforts.
- As mentioned above, Medicaid Personal Care Program, Section 3.7, is now a declared major program. Most of the audit procedures are the same, just presented in the Compliance Requirements/Suggested Audit Procedures format that we used in other sections. There is a new procedure for looking at the potential for duplicate billing between the supportive home care benefit under waiver programs and the personal care card services.

Please send questions to DHSAuditors@Wisconsin.gov.