

## **Section 3.8 Basic County Allocation – 2010**

This section is applicable to audits of counties and 51 boards.

**Funding:** *The Basic County Allocation (CARS profile number 561) is funded with state funds, Social Service Block Grant (93.667), and Temporary Assistance to Needy Families (93.558). The respective shares for these programs vary from year to year and can be found on the “Listing of CARS Program Funding Sources” for the period being audited (the funding listing is online at <http://dhs.wisconsin.gov/bfs/CARS/index.htm>).*

Counties can use the funding from the Basic County Allocation to pay for social service and community service programs. In addition, CARS rolls expenditures in excess of contract amount for numerous other profiles to the Basic County Allocation, and it rolls the amount of expenditures in excess of the contract amount for the Basic County Allocation to the State/County Match (CARS profile 681). Expenditures in excess of the Basic County Allocation and State/County Match are county overmatch, and when they meet the criteria for allowability for the Basic County Allocation, the department may offset these amounts with disallowances for the Basic County Allocation.

Typically, the amount of expenditures under the Basic County Allocation will lead to one or more of the state and federal programs funding this profile to be considered to be Type A programs. Auditors can use the information in this section to assess risk and to perform audit testing for the state Type A program. In addition, the auditor can use this information to tailor the respective federal compliance supplements for Social Services Block Grant and Temporary Assistance to Needy Families to reflect how this funding is used in the Basic County Allocation.

### ***Risk assessment***

#### **A. General risk factors**

- The program has not been audited in at least one of the last two audits.
- The auditor identified significant findings in the most recent audit.
- The auditee has had significant changes in personnel or systems affecting the program.
- The program is new for this auditee or the program requirements have recently changed substantially.
- The program has complex administrative requirements.
- The auditor identified significant problems in performing the general compliance testing for requirements that are relevant to this program (Section 2 of the DHS appendix).

## B. Program specific risk factor

- The auditor identified significant problems with internal controls and compliance for the county's payroll function.

### *Compliance requirements and suggested audit procedures*

The auditor's testing of the general requirements (Section 2 of the DHS appendix) and of payroll will cover many aspects of compliance for the Basic County Allocation. In addition, all costs charged to the Basic County Allocation must be allowable, i.e. they must be in conformance with the types of costs which can be charged to this program and with allowable cost policy.

#### *Suggested audit procedure(s)*

Determine whether costs reported for the Basic County Allocation are allowable, i.e.:

- The costs are consistent with the types of costs that can be charged to Basic County Allocation. These costs are described in the *CARS Accounting Reports Manual* (<http://dhs.wisconsin.gov/bfs/CARS/index.htm>).

And

- The costs are in accordance with the *Allowable Cost Policy Manual*, which is part of the *Financial Management Manual for Counties, Tribes, and 51 Boards* (<http://dhs.wisconsin.gov/Grants>).

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