

Section 3.11 Income Maintenance Administration Program – 2011

This section is applicable to audits of counties and tribes.

Funding: Funding is provided for base income maintenance administration, program integrity and fraud investigation, Wisconsin Medicaid and BadgerCare Plus transportation, and funeral and cemetery aids. Funds may only be expended according to the current appendix to the state-county or state-tribal contract for Income Maintenance Administration. The expenditure report must be submitted monthly for this program. Income Maintenance administration includes administration of the Wisconsin Medicaid, BadgerCare Plus, FoodShare, Family Care, and Caretaker Supplement Programs. (Family Care is a designated major program - See Section 3.17.)

The federal government has identified Medical Assistance, CFDA number 93.778, as a program of higher risk. Auditors will need to ensure that they meet the federal requirements for testing a major program within the context of also ensuring they meet the requirements from the Department of Health Services.

When presenting findings, identify the program and the specific compliance requirement, for example “IM B. Program Risk Factors.”

Risk Assessment

The Department of Health Services has designated the Income Maintenance Administration Program to be a Type A program when the auditee receives funding for this program directly from the department.

IM 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.

IM B. Program Risk Factors

- *Overmatch* – Counties may use funding allocated for Income Maintenance Administration to complete the eligibility determination process for the Wisconsin Medicaid BadgerCare Plus, and FoodShare (Wisconsin’s version of the federal Food Stamp Program) programs. Allowable expenditures in excess of the contract amount (“overmatch”) may be submitted as a claim to the state. To the extent federal matching funds are available, these funds will be reimbursed to the county.

Compliance Requirements and Suggested Audit Procedures

IM C. Allowable costs

Compliance requirement(s)

The agency must have on file with the state a signed contract. The agency may sub-contract with

other agencies to perform needed services. The agency must comply with the allowable cost requirements described in the terms and conditions of the contract, including special addenda.

Suggested audit procedure(s)

- Review contract for terms and conditions, and special addenda to understand the allowable cost requirements for this program. Review CARS profiles for IM programs to understand the accurate reporting of expenses and revenues. Ensure that costs are properly allocated across all programs, including costs that should be allocated to non-DHS programs such as W-2 and Child Care.
- Test expenditure records and supporting documentation to determine whether only allowable expenditures were charged to the program.
- If purchases of Information Technology equipment have been charged to the IM program in the past year, ensure that the equipment:
 1. Is used by the IM program;
 2. Is appropriately cost allocated if used by other programs as well (such as W-2 or child care); and
 3. Is appropriately capitalized and depreciated in accordance with OMB Circular A-87 and generally accepted accounting principles.

IM D. Random Moment Study (RMS) (Note: this section applies to counties only. It does not apply to tribes.)

Compliance requirement(s)

The Department of Health Services (DHS) in coordination with the Department of Children and Families (DCF) has implemented a Random Moment Study (RMS) process. Under this process, counties provide employee counts by functional area, rosters of employees in the IM/W-2 functional area, Agency Management, Support, and Overhead (AMSO) costs, and shared costs to DHS and DCF. Staff at DHS and DCF use the employee rosters to poll county staff on a random basis. County staff report what activity they are performing, for what program(s), and which case they are working on at that moment in time. DHS and DCF use these employee counts to allocate county AMSO costs to the various function areas. Polling results are used to allocate IM/W-2 AMSO costs plus shared costs to the Income Maintenance Programs at DHS and other programs operated by counties.

Suggested audit procedure(s)

- Verify that the employee counts reported to DHS and DCF are complete, and that employees were identified with the correct functional area.
- Verify that the AMSO costs reported to DHS and DCF:
 1. can be reconciled to the accounting records;
 2. are supported by adequate documentation; and
 3. represent only those costs not charged directly.
- Verify that the share costs reported to DHS and DCF:
 1. can be reconciled to the accounting records;
 2. are supported by adequate documentation; and
 3. represent only those costs not charged directly.

- Verify on a sample basis that the client case numbers reported by the County staff in response to the RMS polling were for an active client or applicant of that reported program at the time of the RMS contact. Also, look for evidence of activity for the RMS contact date in the client case file.

IM E. Matching

Compliance requirement(s)

An agency may claim allowable expenditures over the agency's contract amount for the Income Maintenance Administration and Program Integrity programs, if the agency makes the required match from non-federal sources.

Suggested audit procedures

Ensure that the match from non-federal sources is not used to match other federal funds and has been expended on allowable services for Income Maintenance Administration.

Questions

Please send questions by email to DHSAuditors@Wisconsin.gov and include the identifier for the audit procedure (example "IM B. Program Risk Factors") and the name of the auditee in the message.