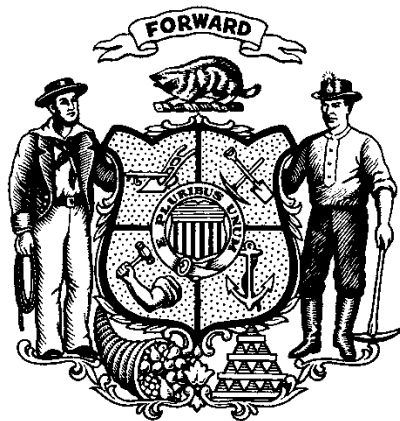


**Appendix to the  
State Single Audit Guidelines for  
Programs Managed by the  
Department of Administration**



**2017 Revision**

# Appendix to the State Single Audit Guidelines for Programs Managed by the Department of Administration

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# Appendix to the State Single Audit Guidelines for Programs Managed by the Department of Administration

2017 Revision

## 1 Introduction

This document is part of the *State Single Audit Guidelines*, and it should be used only in context of the *Guidelines* as a whole. The *Guidelines* consist of two parts: the main document, which describes the state's single audit policy in general terms, and the department-specific appendices, which detail audit requirements for programs from the respective departments. An auditor planning an audit needs to consult the main document and the appendices for each of the departments that provided funding to the auditee. For example, if the auditee received funding from the Department of Workforce Development (DWD) and the Department of Health Services (DHS), the auditor will need the main document, the DWD appendix, and the DHS appendix. The main document and all appendices are online at [www.ssag.state.wi.us](http://www.ssag.state.wi.us).

### ***1.1 Programs subject to an audit***

All DOA state financial assistance programs except for the State Payments identified in the "Inventory of State Financial Assistance programs", Appendix H of the State Single Audit Guidelines, are included in the scope of the single audit. The auditor is cautioned that the Department of Administration's "State Payments for Municipal Services" program is included in the Department of Revenue's Tax 16 requirements. Tax 16 is a separate state requirement that is not incorporated into the single audit. Therefore, the auditor should become familiar with the Tax 16 requirements as well as the single audit requirements applicable to state assistance programs.

The Department of Administration (DOA) administers Federal pass-thru, Federal/State and State programs with compliance requirements that the auditor needs to consider in conducting a single audit.

Subrecipients that expend \$100,000 or more in a single year from DOA awards for which funding originated from State Government sources shall have a certified annual audit performed utilizing Generally Accepted Accounting Principles, Generally Accepted Auditing Standards and Government Auditing Standards. In addition, a separate footnote or schedule shall be included listing all awards for which funding originated from State Government sources and the total cash expended under each of those awards for the year under audit. Audit reports are due to the State within nine months of the close of the fiscal year, unless waived by the Department.

If the combined total expended from all DOA awards whose funding originating from State Government sources is less than \$100,000 in a single year, the subrecipient shall confirm in writing that the above audit requirements are not applicable.

### ***1.2 Designated state major programs***

DOA has designated Low Income Weatherization, (all funding sources including, DOE-81.042, EAP – 93.568 and Public Benefits – 505.371) as a "Major" State program, provided funding for the fiscal year exceeds \$100,000.

### **1.3 Designated Type A programs**

The Department of Administration has not designated any Type A programs. However, any DOA program which satisfies the requirements set forth in section 3.4 of the [Main Document of the State Single Audit Guidelines](#) should be included in the testing for compliance with State laws and regulations.

### **1.4 Waiver from testing**

Any state funded program originating from the Department of Administration that does not exceed \$25,000 during the audited year need not be included in the testing for compliance with State laws and regulations.

### **1.5 American Recovery and Reinvestment Act**

The American Recovery and Reinvestment Act (ARRA) has provisions affecting single audits of agencies that expend funding provided from ARRA. This section applies to all audits of agencies that received grants funded by the American Recovery and Reinvestment Act. For additional information, see

- Appendix VII of the *OMB Circular A-133 Compliance Supplement*, March 2009 revision (on line at [http://www.whitehouse.gov/omb/circulars\\_a133\\_compliance\\_09toc/](http://www.whitehouse.gov/omb/circulars_a133_compliance_09toc/)).
- Addenda to the *Compliance Supplement* that are applicable to the period covered by the audit (on line at [http://www.whitehouse.gov/omb/circulars\\_default/](http://www.whitehouse.gov/omb/circulars_default/)).

### **1.6 Funding sources**

Information on federal and state funding sources for programs from the Department of Administration is online at [www.ssag.state.wi.us](http://www.ssag.state.wi.us).

### **1.7 Department information**

The website for the Department of Administration, [www.doa.state.wi.us](http://www.doa.state.wi.us), provides information concerning the department's programs, history, current business and employment opportunities.

### **1.8 Effective date**

This revision of the Appendix to the State Single Audit Guidelines for Programs from the Department of Administration is effective for audits of fiscal years ending after December 31, 2016.

### **1.9 Contact the department**

Questions or comments on this appendix to the *State Single Audit Guidelines* should be directed to the DOAS Single Audit Coordinator. In addition, audit reports should be emailed as a text searchable, unsecured PDF file to [DOADOASSingleAuditCoordinator@wisconsin.gov](mailto:DOADOASSingleAuditCoordinator@wisconsin.gov).

## 2 Program specific guidance

Compliance supplements for specific programs

[Section 2.1](#) Low Income Weatherization

[Section 2.1.1](#) Schedule of HE+ Furnace Activity by Contract

[Section 2.2](#) Wisconsin Home Energy Assistance Program (WHEAP) Utility Public Benefits

The above list does not include all of the Department of Administration grants. Auditors should refer to grant contracts and handbooks as well as information included with the award documents to ensure that all grant requirements are being addressed.

## **2.1 Low Income Weatherization**

The Weatherization program may be funded by multiple sources (81.042, 93.568, Public Benefits, Exxon Oil, etc.), which are indicated on the contract between the Weatherization Service Provider and the Wisconsin Department of Administration (DOA).

### **I. PROGRAM OBJECTIVES**

The objective of the Weatherization program is to reduce energy consumption in households least able to handle the increase in the cost of energy. The Weatherization Program provides materials and a labor service to insulate these low-income households. The priority target groups are the elderly and the handicapped and households with a child under six years of age. The service is a one-time assistance that provides long term benefits.

### **II. PROGRAM PROCEDURES**

Funds for operation of the program are obtained for non-profit agencies, municipal governments or units there-of, and tribes, based upon an annual contract between each weatherization service provider and DOA. The Weatherization Contract and the Weatherization Manual issued by the DOA Bureau of Energy Assistance set forth the requirements under which these funds may be provided to be expended by the weatherization service providers.

### **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **A. Types of Services Allowed and Unallowed**

The program requirements are set forth in the DOA Weatherization Manual, and in the Contract for Low Income Weatherization between each weatherization service provider and DOA.

The contract and manual should be reviewed prior to beginning the audit.

#### **B. Eligibility**

Determine whether eligibility requirements set forth in the Weatherization Manual are being followed.

#### **C. Matching, Level of Effort, and/or Earmarking**

None.

#### **D. Reporting**

Each service provider is required to submit to the DOA the following monthly reports:

Monthly Electronic Financial Report  
Monthly Electronic Production Activities

#### **E. Special Tests and Provisions**

1. Determine whether expenditures are properly classified in accordance with the final budget shown in the contract and with the allowable costs as set forth in the Weatherization Manual.
2. Determine whether administrative expenses were limited to the appropriate percent of expended dollars as stated in the Weatherization Manual.
3. Determine whether inventories are properly maintained and safeguarded.
4. Determine whether materials installed were properly valued.
5. Verify that the monthly WISWAP *Job Details Report* is accurate and that both the electronic financial and production data tie to agency records.
6. Review basis of Cost Allocation Plan for reasonableness.
7. Determine whether Job Cost Reduction Funds, as reported on the WISWAP *Measure Costs* report, match the WISWAP Financial Report and agency records.
8. Review agency procurement procedures to ensure that they meet state requirements as well as those noted in the Low Income Weatherization Manual. Track a procurement over \$25,000 through the agency's system to evaluate compliance with the guidelines noted above. This test should cover a review of agency efforts to include Minority Business Enterprises on the solicitation list. In addition, the auditor should consider compliance with the required structure of the bid.
9. Review disbursement records to determine if grantee is consistently paying vendors within 30 days of receipt of an invoice for services provided.
10. Verify that the direct labor rate calculation is reasonable and being accurately applied.

#### IV. ADDITIONAL SUPPLEMENTAL SCHEDULES

The [Main Document of the State Single Audit Guidelines](#), Section 4.3 allows funding agencies to require additional supplemental schedules to suit their information needs, and funding agencies may specify the format content for such schedules. See Section 2.1.1, below, for the supplemental schedule required when the auditee receives funding from the Department of Administration for the Home Energy Plus Furnace Program.

### 2.1.1 Schedule of HE+ Furnace Activity by Contract

<Name of organization>

Schedule of Emergency Furnace Activity by Contract

For the year ended <date>

<u>Contract #</u>	<u>Prior Audit Period Cash Received</u>	<u>Current Audit Period Cash Received</u>	<u>True up Received (Paid)</u>	<u>Net Contract to date Cash Received</u>	<u>Contract to Date Expenses</u>
AD.xxxxxx.xx	xxx,xxx	xxx,xxx	xx,xxx	x,xxx,xxx	x,xxx,xxx
AD.xxxxxx.xx	xx,xxx	xxx,xxx	x,xxx	xxx,xxx	xxx,xxx
<b>Totals</b>	<b>\$xxx,xxx</b>	<b>\$xxx,xxx</b>	<b>\$xx,xxx</b>	<b>\$x,xxx,xxx</b>	<b>\$x,xxx,xxx</b>



## **2.2 Wisconsin Home Energy Assistance Program (WHEAP) Utility Public Benefits**

The WHEAP contract may be funded by multiple sources (LIHEAP 93.568 and Public Benefits 505.371) which are indicated on the contract between the WHEAP Agency (County or Tribe) and the Wisconsin Department of Administration (DOA).

### **I. PROGRAM OBJECTIVES**

The objectives of the WHEAP program are to assist eligible households with heating and electric bills, increase their energy self-sufficiency, and reduce their vulnerability resulting from energy needs.

### **II. PROGRAM PROCEDURES**

Funds for operation of the program are allocated to municipal governments or units there-of, and tribes, based upon an annual contract between each WHEAP Agency and DOA. The WHEAP Contract and the WHEAP Program and Operations Manual issued by the DOA Division of Energy Services set forth the requirements under which these funds may be expended by the WHEAP Agency.

### **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **A. Types of Services Allowed and Unallowed**

The program requirements are set forth in the DOA WHEAP Program and Operations Manual, and in the Contract for WHEAP between the WHEAP Agency and DOA.

The contract and manual should be reviewed prior to beginning the audit.

#### **B. Eligibility**

Determine whether eligibility requirements set forth in the WHEAP Program and Operations Manual are being followed.

#### **C. Matching, Level of Effort, and/or Earmarking**

None

#### **D. Reporting**

Each service provider is required to submit to the DOA the following monthly reports:

Monthly Claim Reimbursement

E. Special Tests and Provisions

1. Determine whether expenditures are properly classified in accordance with the final budget shown in the contract and with the allowable costs as set forth in the WHEAP Program and Operations Manual.
2. Review basis of Cost Allocation Plan for reasonableness.
3. Review disbursement records to determine if grantee is consistently paying vendors within 30 days of receipt of an invoice for services provided.

### **3 List of Changes to the 2017 Compliance Supplement**

- Per the 2017-2019 Biennial Budget the following programs are no longer passed through the WI Department of Administration effective 9/21/2017:
  - PATH (CFDA # 93.150)