

Illustration E – ARRA in Schedule of Findings and Questioned Costs

Notes to the “Schedule of Findings and Questioned Costs”

The Wisconsin Department of Health Services requires the following information from the auditor for each Recovery Act program with funding passed through that department:

Federal Grantor:
Program or Cluster Title:
Federal CFDA Number:
CARS profile name or purchase order description:
CARS profile number or purchase order number:

Was the funding part of a Type A program or cluster? Yes/No

If the funding was part of a Type A program or cluster, was the program or cluster tested as a major program for the current audit period? Yes/No/NA

If the funding was part of a program or cluster was a Type A program and if it was not tested as a major program for the current audit period, did all of the following conditions exist, indicating that the program or cluster was low risk:

- The program or cluster had ARRA expenditures in the prior audit period,
- The program or cluster was audited as a major program in the prior audit period,
- The ARRA expenditures in the current audit period are less than 20% of the total program or cluster, and
- The auditor followed the guidance in OMB Circular A-133 to determine that the program or cluster was otherwise low risk.

Yes/No/NA

1.8 Peer review

All auditors performing audits involving DHS funding must be qualified to perform the audit. The auditor’s qualifications are described in Section 2.2.1 of the *Main Document of the State Single Audit Guidelines*, and they include having undergone a peer review in accordance with the requirements under the U.S. Government Accountability Office’s *Government Auditing Standards* and State of Wisconsin licensing standards. This section of the *DHS Audit Guide* adds the following requirements when *GAS* or licensing standards indicate that an auditor needs to have a peer review:

- The auditor must provide the report on the peer review to the auditee and to each funding agency upon request.
- Auditors who do not provide reports on their peer reviews to funding agencies demonstrating that they are current in meeting peer review requirements are barred from performing audits involving DHS funds.

- In event that an auditor receives a peer review rating of fail and decides to continue to perform audits involving DHS funding, the auditor must:
 - Prior to beginning any audit involving DHS funding, provide the auditee and the funding agencies with written notification of the results of the peer review and the auditor's plan to ensure that the audit meets all applicable professional, federal and state requirements.
 - At the completion of the audit, provide each funding agency with a complete copy of the audit documentation supporting the audit along with the audit report.

In addition, the cost of an audit is an allowable cost for reimbursement only if the audit was performed in accordance with the applicable standards. The auditee cannot claim reimbursement for the cost of an audit performed by an auditor who has a peer review rating of fail until the funding agencies have provided written notification that they have accepted the audit documentation as demonstrating that the audit met the applicable standards.

1.9 Effective date for the 2010 update to the *DHS Audit Guide*

This section applies to all audits.

The 2010 update to the *DHS Audit Guide* is effective for audit periods ending on or after December 31, 2010 and before December 31, 2011.

1.10 Due date for audit reports

Audit reports are due to funding agencies by the earlier of:

- The date specified in the contract or grant agreement.
- The federal government's specified timeframe for reporting significant issues if the auditee has ARRA funding.
- The federal government's due date for A-133 audits, if the auditee is a local government that has an A-133 audit when the audit is in accordance with this standard.
- Six months from the end of the fiscal period for all other audits.

The Department of Health Services no longer extends the due date for audit reports involving funding that the auditee received directly from the department.