



wisconsin department of
children & families

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Governor Scott Walker
Secretary Eloise Anderson

Division of Safety and Permanence

March 8, 2012

Child Welfare Licensing Memo Series 2012-03

To: Private Child Placing Agencies
Residential Care Center Providers
Group Home Providers
Child Placing Agency Directors
Shelter Care

From: Ron Hermes 
Bureau Director

RE: Audit Report Requirements

All agencies that receive more than \$25,000 in funding from the Department for the purchase of care and services are required to have an annual audit in accordance with the State Single Audit Guidelines (SAAG), unless required by contract to have an audit in accordance with the Provider Agency Audit Guide (PAAG). This is a reminder that it is important that audit reports be submitted to the Department in accordance with the following requirements:

- For agencies that are required to have an audit in accordance with the PAAG, audits are due no more than 6 months after the fiscal year covered by the audit. For most agencies, that date is June 30th.

In the past, we have had a significant portion of providers who fail to comply with the audit submission deadline and either ask for extensions or simply don't send their reports in until later. We have encouraged agencies to make arrangements with their accountants and auditors *now* to ensure that their audits are filed on time. The Department may impose sanctions and penalties, including revocation of licenses, order to close placements, delaying payments and non-renewal of contracts, on those providers who fail to comply.

We are also requesting that auditing firms who audit agencies that receive DCF funding update their work papers and spreadsheets. We notice that many reports still use old references such as "DHFS" that were appropriate prior to the creation of DCF in July, 2008, but are no longer valid. We have previously sent letters or emails to auditors asking them to correct their spreadsheets; however, errors are still being noted. Beginning this year, we will be rejecting audits that do not

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DCF-F-16-E (R. 01/2011)

correctly cite DCF funding and programs. We encourage you to discuss this with your auditor to ensure that any necessary changes are made now.

In addition, we would prefer that you file any audit reports with us electronically by emailing them to DCFAuditors@wisconsin.gov.

If you have any questions, please contact Barbara Loescher by email at Barbara.Loescher@wisconsin.gov or at (608) 264-6992.

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