



I Need an Audit as a Wisconsin County Provider – Now What?

Craig Olsen, CPA

Kelley LeMay, CPA

We'll get you there.





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Course Objectives

- Understand Department of Health Services (DHS) audit requirements
- Preview what a typical audit looks like
- Gain a better understanding of what items are needed for an audit
- Know how to prepare yourself for an audit

When Do I Need an Audit?

- \$100,000 in **combined** county funding in a calendar year
- Due six-months after year-end



What is a DHS Audit?

- Entity-wide audit
- Consists of GAAP (generally accepted accounting principles) based financial statements
 - What's included in the financial statements
 - Accrual basis
- DHS Compliance Portion
 - Allowable expenditures
 - Proper reporting
 - Other specific county requirements
 - Allowable profit/schedule of reserves



What is a DHS Audit?



- What does it cost?
 - Depends on size and complexity of your organization
 - Depends on how ready you are
- How long does it take?

How to Best Prepare for the Audit

- Business separate from personal
- Accounting software
- Monthly cash reconciliations
- Keep all invoices/receipts
- Keep all debt agreements, leases, and fixed asset purchases
- Proper documentation for payroll transactions
- Consistent record keeping



Before the Audit

- Confirmations sent to counties and other providers, financial institutions, and debtors
- Listing of items needed sent to client
- Understanding of internal controls
- Finalized trial balance sent to auditors



During Fieldwork/Testing

- Audit all significant balance sheet accounts as of year-end

Cash	Accruals
Accounts Receivable	Debt
Prepays	Equity
Equipment	Revenue
Accounts Payable	Expenses

- Prepare GAAP financial statements with required disclosures
- Onsite for a couple days if possible, otherwise virtual



After Fieldwork/Testing

- Review process
- Financial statement approval
- Send to funding agencies



Common Issues



- Not reading your contract
- Lack of documentation
- Business versus personal
- Assets not owned by the company
- Allowable profit
- Inadequate preparation



Any Questions?

Craig Olsen, CPA

craig.olsen@CLAconnect.com

715-852-1150

Kelley LeMay, CPA

kelley.lemay@CLAconnect.com

715-852-1132



CLAconnect.com



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