

**Wisconsin Department of Public Instruction,  
Financial Services Team**

**WISCONSIN PUBLIC SCHOOL DISTRICT AUDIT MANUAL**  
**SPECIAL EDUCATION AUDIT PROCEDURES**  
**255.101**

**REPORTS NEEDED**

1) District's general ledger for fund 27 to include at a minimum 5 digit function, 3 digit object code and 3 digit project code.

2) There are several reports available from the DPI special education program useful in auditing the special education aid of a school district. However, not all districts will have filed their special education claim prior to audit field work. In this case you may need to audit from the general ledger and later verify amounts with the special education reports.

The following reports are available and can only be accessed from the "Special Education Program", by district staff. Auditors do not have access to the program.

Once the district has either loaded their information into the report, or submitted the report, request the district print the following for review:

*a) PI-1505SE Reported Values* (This report shows all reported expenditure accounts with amounts and should be reflective of the district's general ledger). The PI-1505-SE Expenses by Project report is also available to districts.

*b) PI-1505SE Aid Estimate* (This report shows the aid eligible costs claimed and estimated aid for the district).

3) Obtain from the Department of Public Instruction website, special education license staff listings (Valid and Non-Valid) for the fiscal year and a copy of the *Special Education Claim Instructions*.

*a)* The valid and non-valid license staff listings are available at: <http://www.dpi.wi.gov/sfs/index.html> Click on "School Finance Reporting Portal", choose district, click on "Financial Data Home", click on "FY 10-11 Special Education Licensure Information", enter ID and password assigned your firm.

*b)* The special education claim instructions are available at: <http://www.dpi.wi.gov/sfs/specedn.html>. Click on "*Special Education Categorical Aid Claim Directions*".

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**AUDIT PROCEDURES**

4) Verify that the total amount reported in the *PI-1505SE Reported Values* report (printed at 2a) is in agreement with the total expenditures reported in fund 27 general ledger.

5) Using the “No Valid License” report provided by the Department of Public Instruction, perform the following. **Auditors are not required to test these individuals for a valid license.** The only requirement is to file the worksheet with the cost and account information.

a) From the DPI website, download the district’s No Valid License listing into an EXCEL spreadsheet. In the EXCEL spreadsheet, document the salaries, benefits and account coding, as reported on the PI-1505SE, including appropriate project code and fund for ALL individuals listed. This information must be provided even when the following applies:

- 1) whether or not a license has been issued
- 2) the district reclassified the costs to Project code 019
- 3) the district reported the costs in a fund other than fund 27
- 4) there were no salaries or benefits paid to the individual (report a \$0 cost).  
*(The individuals are pulled from the PI-1202 filed by the district each fall list of staff for the current year. Therefore, it is unusual for an individual to be listed that did not work for the district at some time during the year. If there are no salaries and benefits associated with an individual, please provide an explanation.)*

b) When a position code, assignment code or grade level appears on the no valid license list incorrectly, perform the following procedures:

- 1) Determine correct teaching position code, assignment code, and grade level through inquiry of appropriate district personnel.
- 2) Receive a written representation from the Special Education Director or other appropriate person that the previously reported position code, assignment code (per PI-1202) and grade level were incorrect.
- 3) The representation should include the name, previously reported position code, assignment code and grade level and correct teaching position code, assignment codes and grade level for each individual.
- 4) Check the yes box on the Special Education Licensure Information spreadsheet and fax a copy of the letter to the attention of **Michele Tessner, WI Dept. of Public Instruction at 608-266-2840** or scan and e-mail to [DPIsfsreports@dpi.wi.gov](mailto:DPIsfsreports@dpi.wi.gov) with the subject line "**District Name - Special Education Correction**". Be sure to include the district name on the fax.

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6) Using the staff listing that shows appropriately licensed staff, perform a payroll test and determine if salary and related benefits are being properly reported for staff on this listing. Is the staff working in the program that they are licensed for?

7) Using the “*PI-1505SE Aid Estimate*” (printed in 2b) or general ledger, test claimed salaries and benefits and determine that special education staff employed by the district are shown on the valid staff listings. If any staff is not on the list, determine hire date and review for appropriate license. If after review, it is determined that the individual has a proper license, do not report as a finding on the spreadsheet sent to DPI.

If it is determined that the individual does not have a proper license, and is coded in fund 27 as a cost eligible for aid purposes (project 011), report on the worksheet as additional questioned cost. Do not have the district move the individual to project 019 and report as questioned cost. Only report the individual as questioned cost if the cost stay coded to project 011.

8) If the district is claiming personal service costs (Object 310) or employee travel (Object 342), review the *Special Education Claim Instructions* and determine if the claimed cost is eligible. Only occupational therapy, physical therapy, and special transportation, should be reported with object 310 personal services as 011 eligible costs. Only homebound, should be reported with object 342 employee travel as 011 eligible costs.

9) If the district is claiming pupil transportation costs, review the *Special Education Claim Instructions* for special education transportation requirements and determine if the claimed cost is eligible. Special Transportation means that the vehicle contains ONLY “children with disabilities” whose IEP states that child must have “Special” transportation (cannot ride with “Regular Education” children). Cost of transportation of “students with disabilities” riding with regular education students on the usual bus routes should be excluded.

10) Review WUFAR accounts 27E256300 550 and 27E256300 560 for vehicle acquisition. If the account exceeds \$10,000 AND the project code is 011, inquire of the district whether a bus purchase was made. To be eligible for state categorical aid, approval for acquisition of a Special Education "SPECIAL" Transportation vehicle must be obtained from DPI. If a bus has been purchased, request a copy of the DPI approval.

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If the bus purchase was aided under a federal grant, the grant budget would be the approval for the bus purchase.

**REPORTING**

*11)* Verify that all identified questioned costs, in addition to the no valid license, are reported under the section titled “Additional Special Education Questioned Staff Cost and/or Purchased Service Cost” on the Excel spreadsheet emailed to DPI.

This amount should be the same amount that is reported per the “Summary of Audit Findings” in the single audit report.

*12)* Format the completed spreadsheet as an .xls document and email to DPI at [DPIsfsreports@dpi.wi.gov](mailto:DPIsfsreports@dpi.wi.gov) with the subject line "*District Name* - Special Education Questioned Cost - 2011". A copy of the spreadsheet does not have to be attached to the filed PI 1506. The eligibility of these amounts will be determined by DPI.

Be sure to include the account coding that the expenditure is being reported to DPI. If the district moves the amount to another account code, the new coding should be reported. It must match the coding used in the special education report.

*13)* Obtain final printout of *PI-1505SE Aid Estimate* (as adjusted by any known errors during performance of above procedures) and identify total eligible cost on *Schedule of State Awards* footnote.