



Date: July 11, 2022
To: Independent Charter School Auditors
From: DPI Parental Education Options Team
Subject: Information for 2021-2022 Independent Charter School Audits

This letter summarizes information on new and updated requirements for fiscal year 2021-2022 audits of Wisconsin independent charter schools. Please make sure it is available to all individuals within your firm performing independent charter school audits.

Auditor Mailings

We highly recommend subscribing to the SFS auditor listserv to receive important communications. To subscribe, visit:

<https://dpi.wi.gov/sfs/finances/auditors/overview>

Audit Manual and Program Updates

In 2021, the Audit Manual went through significant changes. The manual was changed from individual webpages to one document. There were no significant changes in the programs for the Audit Manual in 2022.

The 2022 Wisconsin School District Audit Manual is available at:

<https://dpi.wi.gov/sfs/finances/auditors/overview>

State Single Audit Guidelines

The Wisconsin State Single Audit Guidelines information is available at:

[https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-\(SSAG\).aspx](https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-(SSAG).aspx)

The Wisconsin State Single Audit Guidelines Main Document is available at:

<https://doa.wi.gov/budget/SCO/2015%20SSAG%20Main%20Document%20Revised%206-2016.pdf>

Office of Management and Budget (OMB) Compliance Supplement

The 2022 OMB Compliance Supplement has been released on May 11, 2022 and can be found at the following link:

<https://www.whitehouse.gov/omb/office-federal-financial-management/>

Schedule of Expenditures of Federal Awards and State Awards

The AICPA's Governmental Audit Quality Center released [Nonauthoritative Guidance on the Reporting of Certain COVID-19 Awards on an Accrual Basis SEFA](#). This non-authoritative document provides definitions, assumptions, and various illustrative scenarios related to certain COVID-19 awards to assist auditees and auditors in evaluating the facts and circumstances that lead to a determination of which fiscal year to report costs incurred on an accrual-basis SEFA.

Pass-through identifying numbers are required to be included on the Schedule of Expenditures of Federal and State Awards. A listing by entity of all federal and state awards paid by DPI with corresponding identifying numbers is available at:

<https://dpi.wi.gov/sfs/aid/grant-programs/overview>

Section 1.7.1 of the 2022 Wisconsin School District Audit Manual includes a requirement that the Schedule of Expenditures of Federal and State Awards include reconciling information on beginning and ending accrued receivables and/or unearned revenue, as well as cash received.

WISEgrants Portal

Budgets and claims for most federal grants administered by DPI are submitted in the WISEgrants web portal. Claims automatically populate with the last approved budget. Independent charter schools have the ability to assign auditors user credentials to WISEgrants to review budgets and claims. A WAMS ID is required for WISEgrants access. Once you have a WAMS ID, contact the independent charter school about being assigned as a WISEgrants user.

WISEgrants is located at:

<https://dpi.wi.gov/wisegrants/web-portal>

The left side of the page has general and auditor-specific technical assistance.

WISEdata Finance Dual Reporting

For fiscal year 2021-22, independent charter schools will be reporting their annual financial information using both the SAFR 1505-SE report and pushing their financial data into WISEdata Finance. Independent charter schools report their special education costs through the same online PI-1505-SE reports as school districts. Because they are now eligible for Pupil Transportation Aid, their access to the reports will be through the SAFR portal. Independent charter schools can manage report users through the PI-1500. Budget reports were only submitted to the Department of Public Instruction using WISEdata Finance. The PI-1504 Budget report was no longer used for fiscal year 2021-22.

Independent charter schools are subject to the same [manual audit program modification as districts](#), put into place due to ongoing challenges with ELO and staff reporting. Operators should provide a completed worksheet or similar documentation for the PI-1505-SE review process.

A School Finance Bulletin was sent out on June 2, 2022, discussing how auditors get access to WISEdata Finance/WiSFIP and can be found at the following link:

<https://dpi.wi.gov/sfs/auditor-access-wisedata-financewisfip>

Individuals with Disabilities Education Act (IDEA) Maintenance of Effort (MOE)

The Special Education Team has information for reviewing IDEA's MOE requirement and the MOE monitoring utility in WISEgrants at:

<http://dpi.wi.gov/sped/educators/fiscal/maintenance-of-effort>

For questions related to an LEA's MOE compliance, contact Rachel Zellmer on the DPI Special Education Team at rachel.zellmer@dpi.wi.gov.

Corrective Action Plans

A corrective action plan to address each audit finding is required as part of the reporting package. Plans should include the name(s) of those responsible for the corrective action, what action is planned or a detailed listing of mitigating controls, and the plan's anticipated completion date. Corrective action plans are required in order for us to review and address the findings reported. If you or the independent charter school were asked for more information during our reviews of 2020-2021 findings reported as of June 30, 2021, please incorporate that information into any findings that reoccur in 2021-2022.

Peer Review Letters

Auditors must undergo an external peer review at least once every three years and make the report available to granting agencies upon request. DPI reviews peer review reports for all firms performing independent charter school audits. If you have not submitted your most recent peer review report to DPI, please email it to charterschools@dpi.wi.gov as soon as possible.

Important Dates/Timeline

The timeline for 2021-2022 reporting is as follows:

<u>PI # / Report Title</u>	<u>Who Submits</u>	<u>Open Date</u>	<u>Due Date</u>
PI-1505-SE Special Education Annual Report	Independent Charter School	7/20/2022	9/16/2022
Special Education No Valid License/Questioned Cost Worksheet	Auditor	7/1/2022	9/16/2022
Audited Financial Statement Report Package	Auditor	7/1/2022	12/15/2022

Audited financial statement report packages are submitted to charterschools@dpi.wi.gov. They must include the following:

- Audited Financial Statements
- Single Audit Report, if issued separately
- Corrective Action Plans, if applicable
- Communication with Those Charged with Governance when "Other Matters" are included
- Management Letter, if applicable

Do **NOT** submit Data Collection Forms to DPI. All documents should be unencrypted, unlocked and in a text-searchable PDF format.

Conclusion

For technical assistance questions regarding audits or their requirements, contact charterschools@dpi.wi.gov.