



**Date:** July 9, 2021  
**To:** Independent Charter School Auditors  
**From:** DPI Parental Education Options Team  
**Subject:** Information for 2020-2021 Independent Charter School Audits

This letter summarizes information on new and updated requirements for fiscal year 2020-2021 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

The Audit Manual has been updated to consolidate information from multiple webpages that previously made up the audit manual into a single PDF document called the Wisconsin School District Audit Manual. The audit programs have also been incorporated into Section 2 of this document.

The Wisconsin School District Audit Manual serves as the appendix of the State Single Audit Guidelines to provide additional auditing and program-specific compliance requirements for DPI funding.

The Wisconsin School District Audit Manual also establishes auditing and program-specific compliance requirements for Wisconsin Public School Districts, Cooperative Educational Service Agencies, County Children with Disability Education Boards, and independently authorized charter schools that receive funding from the DPI but do not meet the single audit federal expenditure threshold.

A document listing the summary of changes to the audit manual and the audit programs has been created to assist auditors in identifying 2021 updates.

The 2021 Wisconsin School District Audit Manual and the Summary of 2021 Changes to the Wisconsin School District Audit Manual are 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 2021 OMB Compliance Supplement has not yet been released.

The 2020 Compliance Supplement and 2020 Compliance Supplement Addendum remain available at: [https://www.whitehouse.gov/wp-content/uploads/2020/08/2020-Compliance-Supplement\\_FINAL\\_08.06.20.pdf](https://www.whitehouse.gov/wp-content/uploads/2020/08/2020-Compliance-Supplement_FINAL_08.06.20.pdf) and [https://www.whitehouse.gov/wp-content/uploads/2020/12/2020-Compliance-Supplement-Addendum\\_Final.pdf](https://www.whitehouse.gov/wp-content/uploads/2020/12/2020-Compliance-Supplement-Addendum_Final.pdf).

#### 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 2021 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.

#### 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](mailto: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 2019-2020 findings reported as of June 30, 2020, please incorporate that information into any findings that reoccur in 2020-2021.

### 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](mailto:charterschools@dpi.wi.gov) as soon as possible.

### Important Dates/Timeline

The timeline for 2020-2021 reporting is as follows:

<u>PI # / Report Title</u>	<u>Who Submits</u>	<u>Open Date</u>	<u>Due Date</u>
<b>PI-1505-SE Special Education Annual Report</b>	Independent Charter School	7/12/2021	9/17/2021
<b>Special Education No Valid License/Questioned Cost Worksheet</b>	Auditor	7/12/2021	9/17/2021
<b>Audited Financial Statement Report Package</b>	Auditor	7/12/2021	12/15/2021

Audited financial statement report packages are submitted to [charterschools@dpi.wi.gov](mailto: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](mailto:charterschools@dpi.wi.gov).