

## State Special Education Audit Modified Licensing Testing Procedures for FY2020

Due to complications with DPI licensure and staff reporting systems, the “No Valid License” information provided to auditors as part of the Special Education Audit Program will not be available for audits of the 2019-2020 school year. A modified audit procedure involving manual licensure testing will be used. Auditors will be verifying licensure for a sample of LEA staff. LEAs able to document staff who applied for the proper license in 2019-2020 but have not yet received it will be deemed in compliance with the licensure requirement.

Audit procedures to replace Compliance Requirements 1-1 are available in the section below. Accordingly, Compliance Requirements 2-1 and 3-1 are not required for FY2020. **All other sections of the Special Education Audit Program remain in place.**

If you have any questions, please contact [jillian.raff@dpi.wi.gov](mailto:jillian.raff@dpi.wi.gov) or 608-267-7882.

### Procedures to Replace Compliance Requirement 1-1

Each LEA has an obligation to employ appropriately licensed staff, including special education staff. Staff must be appropriately licensed for a special education work assignment listed in state statute in order for their salary and benefits to be eligible for aid.

#### *Audit Procedures*

1. Obtain a labor distribution report from the LEA for aid-eligible personnel expenditures (WUFAR Fund 27, objects 100 and 200, project 011).
2. Identify a statistical sample of LEA instructional (100000 series function) and support (20000 series function) staff with salary and benefits expended to the categorical aid eligible expenditure (WUFAR Fund 27, objects 100 and 200, project 011).
1. Perform a payroll test for each individual in the sample using the [Valid Staff Reporting and License Codes](#) matrix:
  - a. Verify their work assignment(s).
  - b. Verify whether the account distribution of their payroll and benefits agrees with their assignment.
  - c. Verify they were appropriately licensed for their assignment. Their license must match their work assignment. Their license must be issued before 6/30/2019 or a license application received on or after 7/1/2019.
2. If any individuals are identified as not having a valid license through payroll testing, record in the Questioned Costs section of the LEA’s NVL/QC Worksheet:
  - a. The amount and WUFAR coding of their salary and benefits (or aid-eligible purchased service cost) as reported on the LEA’s PI-1505-SE Special Education Annual Report (i.e. if the LEA adjusts the coding for an individual to project 019, indicating a non-eligible expenditure, the worksheet should show their coding with project 019);
  - b. Whether the LEA wishes to dispute or review their license status; and
  - c. Any additional information or explanation regarding that individual.

Note: that pupil services employees (functions 212000, 213000, 214000, 215000) will have their payroll split between Funds 10 and 27. Report only the Fund 27 portion on the LEA’s NVL/QC Worksheet.

#### *Findings*

A finding must be issued for this compliance requirement when a questioned cost is identified. The auditor may take into account circumstances beyond the LEA’s control, such as a delay by DPI in issuing a license, when drafting their finding. The finding should indicate whether questioned costs were recoded to the correct (project 019) account.