



January 2026

State Single Audit Guide

WISCONSIN DEPARTMENT OF NATURAL RESOURCES APPENDIX

*EFFECTIVE FOR SINGLE AUDITS HAVING FISCAL YEARS
BEGINNING AFTER JUNE 30, 2025*

1.0 General Audit Requirements

This document is part of the State Single Audit Guide ("Guide") and should be used only in the context of the Guide as a whole. The Guide is comprised of the Main Document and state awarding agency appendices. The Main Document and available state awarding agency appendices are available at: [https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-\(SSAG\).aspx](https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-(SSAG).aspx).

1.1 Audit Authority

Non-Federal entities, not including a State of Wisconsin agency, that expended \$1,000,000 or more in federal awards during their fiscal year must have a single audit or program-specific audit conducted for that year in accordance with Uniform Guidance, as applicable. Additionally, these agencies may be required to have an audit in accordance with Section 1.4 of the Guide – Main Document. Entities not subject to the state single audit requirements of Section 1.4 of the Guide – Main Document may be subject to additional audit requirements as established by state statute or administrative code.

1.2 Type of Audit Required

An entity that meets the applicability of Section 1.4 of the Guide – Main Document is required to have a state single audit conducted.

1.3 Audit Waivers

Authority to waive a single audit is solely the responsibility of the Office of Management and Budget (OMB) or a federal awarding agency. As such, the department is not authorized to waive an entity's single audit.

1.4 Programs Subject to Audit

The programs subject to audit are outlined within the State and Federal Program Listings at: [https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-\(SSAG\).aspx](https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-(SSAG).aspx).

1.5 General Compliance Requirements

DNR has identified General Compliance Requirements (Section 2) that are to be included in all audits of entities that receive funding from the department and that are audited under the Guide. The compliance testing must be performed whether or not the auditee has major programs from the department.

1.6 Contact Information

Questions or comments on this appendix or state programs administered by this agency should be directed to:

DNR Auditors

Department of Natural Resources, Bureau of Finance

DNRFNSingleAudit@wisconsin.gov

715-839-3829

2.0 General Requirements

Background

The Wisconsin Department of Natural Resources (DNR) provides funds to counties, municipalities, and various non-profit organizations as authorized by statute and interpreted by DNR Administrative Code. Most of these grants are on a reimbursement basis, that is, that they require the grantee to have spent the money (for eligible purposes) prior to reimbursement.

The DNR has identified several requirements that are applicable to more than one program. These general requirements should be tested as part of all audits involving funding from the department

Section 2.1 Reconciliations and Allowable Expenditures

Section 2.2 Cost Allocation Plan and Indirect Cost Plans

Section 2.3 General Guidance

2.1 Reconciliations and Allowable Expenditures

Background

Reconciliation of the agency's reported costs for reimbursement with costs actually recorded in the agency's official accounting records is an important function. This enables the agency to identify any costs either not reported or not reimbursed.

Compliance Requirement

DNR contracts with the various grant-recipient agencies contain a provision which relates to the required reconciliation of the agency's expenses/costs as reported to the Department with those recorded in the agency's accounting records.

Suggested Audit Procedures

1. On a sample basis, review the reconciliation(s) prepared by the agency. If no reconciliation has been prepared; a finding should be included in the Schedule of Findings and Questioned Costs.
2. Test expenditure records and supporting documentation to determine whether only reasonable and allowable expenditures were charged. Also, ensure the sample includes transactions from all cost elements. If unallowable costs are identified, test additional transactions for that specific cost element. Additionally, ensure costs are allowable within contract guidelines and/or the Uniform Guidance's subpart E, Cost Principles.

2.2 Cost Allocation and Indirect Cost Plans

Note: This section pertains to Indirect Cost Plans at all agencies and to Cost Allocation Plans at agencies other than Counties. The department relies on the independent audit to confirm that plans are in accordance with the OMB Uniform Guidance. This testing must be performed if the agency claimed reimbursement from department programs for allocated or indirect costs. DNR

does not approve any agency's cost allocation or indirect cost plans. Instead, the department relies on the independent audit to confirm that plans are in accordance with the Allowable Cost Policy Manual and 2 CFR Part 200 (the Uniform Guidance). The Code of Federal Regulations (CFR) are available at <https://www.ecfr.gov>. This testing must be performed if the agency claimed reimbursement from department programs for allocated or indirect costs.

As part of the general requirement, the Uniform Guidance requires that organizations must prepare the appropriate indirect cost or cost allocation plan and/or proposal and maintain them on file for later review.

Because of the Department's reliance on the auditor's review, if or when any of these questions are answered in the negative, it is our expectation the finding(s) and/or questioned cost(s) should be included in the Schedule of Findings and Questioned Costs

2.3 General Guidance

DNR has not developed compliance supplements for specific programs. The following guidance is provided to assist auditors in identifying the applicable compliance requirements and audit procedures for DNR programs.

It is the Department of Natural Resources position that all grant receipts (and related expenditure activities) either from State or Federal Awards, or passed through the Department of Natural Resources, should be included in the Grantee's "Schedule of Federal and State Awards" regardless of whether they are included in the Single Audit testing. Further, it should be the auditee that is preparing such schedules, not the auditor performing the Single Audit.

In addition to the information below, see the Uniform Guidance and Guide.

Bidding and Awarding Public Construction Contracts

All recipients must comply with applicable state statutes for bidding and awarding public construction contracts. Any noncompliance with state or federal laws must be reported. The following is a summary of Wisconsin State Statutes that apply to State Bidding Law. Remember that state-bidding law must be adhered to whether there are grant funds involved or not.

For counties: All public construction, the estimated cost of which exceeds \$25,000, requires bidding with award to the lowest responsible bidder. \$5,000 to \$25,000 requires a class 1 notice before a contractor is selected. (Wis. Stats. 59.52(29))

For cities: All public construction, the estimated cost of which exceeds \$25,000, requires bidding with award to the lowest responsible bidder. \$5,000 to \$25,000 requires a class 1 notice before a contractor is selected. (Wis. Stats. 62.15) Cities of the first class may be an exception. (Wis. Stats. 62.03 (1))

For villages: Same as cities. (Wis. Stats. 61.55)

For towns: Same as cities and villages. (Wis. Stats. 60.47)

For public inland lake protection and rehabilitation districts: (Wis. Stats. 33.22)

The above statutes also describe conditions under which bidding requirements may be waived because of public emergency or because the work is done directly by the recipient (force account). (Note. Any public emergency should be documented, i.e. reasonable explanation of the nature of the emergency, reasonableness of the necessity for taking "emergency action", thus not requiring the project to be bid.) Wis Stats 59.52(29)(b)

If the grant involves federal funds, federal procurement guidelines must be adhered to, including, but not limited equipment and supplies purchases.

Suggested Audit Procedures

1. Review the recipient's system for compliance with statutory requirements for the award of public contracts. Any noncompliance with statutory requirements must be reported.
2. Review activity for selected awards and determine whether there is adherence to prescribed procedures.
3. Review the recipient's procedures for adherence to its own internal purchasing or contracting rules.

Matching Funds from Other Sources

Compliance Requirement

Some grants allow a sponsor to receive matching funds from other sources. Other funding sources may include, but are not limited to, the Federal Land and Conservation fund, the U. S. Army Corps of Engineers, U. S. Economic Development Administration, etc. The combined grant funding may not exceed the total project cost.

However, some grants specifically prohibit using grants from other sources (especially other State of Wisconsin sources) as match for grants. It is important to check statute and code for match limitations.

Grantees are not permitted to use costs as match to more than one grant award.

Suggested Audit Procedures

If the sponsor receives a matching federal grant, the recipient must comply with applicable federal procurement laws/regulations, other federal laws and regulations pertaining to the specific federal grant program.

1. Confirm total grant receipts do not exceed the eligible project costs or award amount(s).
2. Review the grantee's procedures for assigning costs to the appropriate grant and that the same costs are not also assigned to other grants.

Permits

Compliance Requirement

Some projects require the grantee to obtain various permits before work can commence. Additionally, grantees must comply with State and Federal Laws in employment practices

Suggested Audit Procedures

1. Confirm that the grantee has procedures in place to obtain permits as required for projects being performed whether or not grant funds are involved.
2. Review the grantee's procedures for compliance with State and Federal labor standards

Risk Assessment

A. GENERAL RISK FACTORS

The program has not been audited in at least one of the last two audit periods.

The auditor identified significant findings in the most recent audit.

The auditee has had significant changes in personnel or systems affecting the program.

The program is new for this auditee, or the program requirements have recently changed.

The program has complex administrative requirements.

The auditor identified significant problems in performing the general compliance testing for requirements that are relevant to this program.

B. PROGRAM SPECIFIC RISK FACTORS

Consult the contract and program guidance for program specific risk factors.

C. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

Auditors will need to identify the applicable compliance requirements and audit procedures for these programs. The general compliance requirements described earlier apply to most department programs.

The contract between the department and the auditee explains the nature and purpose of the program and may identify compliance requirements where noncompliance could have a direct and material effect on the program.

Subpart F of the Uniform Guidance 2 CFR part 200 (online at <https://www.ecfr.gov>) includes guidance for identifying the types of compliance requirements to test when there is no compliance supplement. This guidance is designed for federal programs; however, it will also be for state programs.

Audit Submission

The audit, the data collection form, and the reporting package must be submitted within 30 calendar days after the auditee receives the auditor's report(s) or nine months after the end of the audit period (whichever is earlier). The cognizant agency for audit or oversight agency for audit (in the absence of a cognizant agency for audit) may authorize an extension when the nine-month timeframe would place an undue burden on the auditee. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day. The auditor shall also inform the DNR that the audit has been submitted to the Federal Audit Clearinghouse. This notification shall be made via email to DNRFNSingleAudit@wisconsin.gov. Specific requirements regarding audits can be found on the Code of Federal Regulations, 2 CFR 200 Subpart F (<https://www.ecfr.gov/current/title-2 subtitle-A/chapter-II/part-200/subpart-F>).

The auditee must make copies available for public inspection unless restricted by Federal statute or regulation. Auditees and auditors must ensure that their respective parts of the reporting package do not include protected personally identifiable information.