

## **GUIDANCE FOR AUDITING PROGRAMS WITHOUT A COMPLIANCE SUPPLEMENT**

Auditors are likely to encounter programs from DPI which do not have a compliance supplement. The auditor will need to identify the applicable compliance requirements that are direct and material for these programs. The purpose of this document is to assist auditors in identifying the applicable compliance requirements that are direct and material and audit procedures for these programs without a compliance supplement.

The auditor should first determine if the program should be tested as a major program. See Section 3.4 of the State Single Audit Guidelines for the process of identifying major programs. Please note that the Wisconsin Department of Public Instruction does not exclude any of its programs from the single audit.

### *Compliance requirements and suggested audit procedures*

Auditors will need to identify the applicable compliance requirements and audit procedures for these programs. The auditor should consider the following items when identifying the applicable compliance requirements and audit procedures.

- 1) Obtain an understanding of the program. The auditor can make inquiries of staff, review contracts, review grant agreements, review applicable laws and regulations, and program guidance issued by the Wisconsin Department of Public Instruction to obtain an understanding of the program.
- 2) A review of the contract between the department and the auditee typically explains the nature and purpose of the program and may identify compliance requirements that are applicable that could have a direct and material effect on the program.
- 3) A review of the grant application and grant reports submitted to the department may identify applicable compliance requirements that are direct and material.
- 4) Review Appendix XI TO PART 200—COMPLIANCE SUPPLEMENT of the Uniform Grant Guidance that includes guidance for identifying the types of compliance requirements to test when there is no compliance supplement. The compliance supplement includes twelve compliance requirements that may be applicable to a specific program. This guidance is designed for federal programs; however, it will also be useful for state programs.