

**Wisconsin Department of Public Instruction,
Financial Services Team
WISCONSIN LOCAL EDUCATION AGENCY AUDIT MANUAL
PUPIL TRANSPORTATION AID 255.107**

FULL AUDIT PROGRAM

This program should be used when a Local Education Agency (LEA) is required to have a federal single audit, AND pupil transportation aid is equal to or more than \$62,500. The program is a DPI designated Type A program and must be audited at least once every 3 years if above the \$62,500 threshold. Please note that the most current transportation report should be audited (2015-16 transportation report if you are auditing 2015-16 school year).

I. PROGRAM OBJECTIVES

State transportation aid “*for each pupil so transported*” is determined under the provisions of WI Stats. 121.58. Aids paid to LEAs include aid for transporting pupils to non-public schools. Although pupils may be eligible for transportation, the pupil must be *actually transported at least once* during the school year for LEAs to include them on the transportation report for aid.

II. PROGRAM PROCEDURES

The total funds available for pupil transportation aid are appropriated by the Wisconsin Legislature. An amount is paid to the LEA for each student based on distance transported according to rates in Wisconsin Statute 121.58(2) and Wisconsin Statute 121.58(4).

Transportation Aid is applied for annually through the School Finance Reporting Portal using the fiscal year Pupil Transportation Report (PI-1547) and Pupil Transportation Summer (PI-1547-SS). This report collects the number of pupils transported categorized by the distance from the pupils residence to school using the most commonly traveled direct route.

The aid per pupil is typically paid to LEAs in January. Wisconsin Statute 121.58(6) requires DPI to prorate the aid paid if claims exceed the appropriation or pay LEAs any remaining appropriation after the per pupil rate is paid. The remaining balance of this allocation is typically paid in June if the appropriation exceeds the claims.

The LEA should have available as supporting documentation, a listing of pupils transported at least once during the school year with home to school distance using the most direct route (regular school year and summer school year transportation) or distance to instructional site (vocational transportation) and days *enrolled*. Aid is prorated if the pupil is transported at least once but enrolled less than 91 days WI Stats.121.58(2)(am).

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED

1. Compliance Requirement

Regular and summer school transportation aid is provided for pupils transported on home to school routes. Pupils must be transported at the expense of the LEA. Regular transportation costs should be accounted for in the general fund 10 and special education costs (special education only route expenditures) should be recorded in Fund 27 (Specific fund numbers only applies to public school districts).

**Wisconsin Department of Public Instruction, Financial Services Team
WISCONSIN LOCAL EDUCATION AGENCY AUDIT MANUAL**

Suggested Audit Procedures

- 1) Determine that pupils included in the transportation tables are transported at the expense of the LEA. Please note that transportation aid may not be paid if the LEA is being reimbursed through fees charged.
- 2) Verify that transportation costs have not been allocated from the general fund 10 to the special education fund 27 if the district is running only regular education routes. Regular transportation costs should be accounted for in the general fund 10 (Specific fund numbers only applies to public school districts).

2. Compliance Requirement

Special education pupils riding regular home to school routes are also included in the regular transportation or summer school tables **UNLESS** the pupils' Individualized Education Program (IEP) **REQUIRES A MODIFICATION** of home to school transportation. (Special education only route)

The number of special education pupils for whom a modification of home to school transportation is required by the pupils' IEP should not be reported to DPI on the transportation report. **These pupils cannot be included in the pupil transportation report data.**

Their transportation costs are eligible for state special education aid and are charged to functions 256 250 "Special Transportation - District Operated" and 256 750 "Special Transportation - Contracted" and reported in these accounts on the Special Education Annual Report.

Suggested Audit Procedures

- 3) Determine that special education pupils are reported only on regular transportation tables or summer school tables as appropriate if the LEA is **NOT** running special education only routes.
- 4) Determine that pupils for whom special education transportation costs have been reported on the Special Education Annual Report have **NOT been counted in the regular transportation tables.**

3. Compliance Requirement

Transportation aid is provided for pupils transported to vocational programs at a VTAE or to cooperative "66.0301" vocational programs. Transportation aid for these programs is paid to the LEA based on data submitted to DPI through the school finance internet reporting portal. Note: Very few LEAs have vocational transportation aid.

Suggested Audit Procedures

- 5) If the LEA has reported vocational pupils transported, determine that pupils are being transported to a vocational program instruction site.

**Wisconsin Department of Public Instruction, Financial Services Team
WISCONSIN LOCAL EDUCATION AGENCY AUDIT MANUAL**

B. ELIGIBILITY

1. Compliance Requirement

WI Stats.121.58 (2) (am) requires the pupil to be ***actually transported to receive aid***. Although pupils may be eligible for transportation they should not be included on the transportation report if they are not actually transported.

Suggested Audit Procedures

- 1) Determine, document, and evaluate the process used by LEA to verify that the pupils reported were transported at least once during the school year.
- 2) Determine that the LEA has maintained reliable source documentation to support the number of pupils reported as actually transported at least once during the school year.
- 3) Determine and document the LEA's system to count pupils actually transported by modes other than by LEA's regular transportation routes. For example, parent contracts, city bus, taxi cab, etc. are other methods that may be used and pupils so transported at the expense of the LEA should be included in the data reported.

2. Compliance Requirement

A LEA at its option may provide regular year transportation for distances of less than two miles. However, pupils transported less than two miles during the regular school year are NOT counted on the transportation report unless the transportation is being provided as part of an unusually hazardous transportation plan(UHT) filed by the LEA.

Please note that the internet reporting application will have an edit that will prevent the LEA from reporting in the 0-2 mile category if a UHT plan is not on file

Suggested Audit Procedure

- 4) If pupils are shown on the transportation report as being transported less than two miles determine that they are transported in accordance with a UHT plan filed by the LEA with DPI.
- 5) Ask when the LEA last updated the UHT plan and determine if the plan has been properly updated for current conditions.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING

The auditor is not expected to test for matching, level of effort and/or earmarking requirements.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

The number of pupils a LEA claims for transportation aid is reported to DPI online through the School Finance Reporting Portal using the fiscal year Pupil Transportation Report (PI-1547). “One-Way” mileage is required to be reported for pupils included in the regular or summer school transportation tables using the most direct usually traveled route.

Suggested Audit Procedures

- 1) Obtain online the LEA’s most current (2015-16 report if you are auditing 2015-16 school year) transportation report filed with DPI at: https://apps5.dpi.wi.gov/safr_ro/. Choose your LEA, click on Non-Financial Data Home, click on Pupil Transportation (PI-1547) and Pupil Transportation Summer (PI-1547-SS), click on Fiscal Year and provide ID and password (previously provided password for PI-1506AC). The 2r Charter auditor’s will not have access to the Pupil Transportation reports within the School Finance Reporting Portal; they will need to obtain the report from the LEA.
- 2) Document the LEA’s procedure to determine “One-Way” mileage (NOT "round-trip" or "total route") and that this is the most direct route from the pupil’s residence to the school attended.
- 3) Trace the pupils reported as transported per the PI-1547 and the PI-1547-SS to the LEA’s source documentation.
- 4) If the transportation contractor is responsible for providing data to the LEA, determine that the contractor is providing adequate information as required for the accurate completion of the transportation tables.

2. Compliance Requirement

Pupils may only be classified in the transportation tables by days *enrolled*. This requires the LEA to have a system for identifying pupils transported by days enrolled.

The number of pupils enrolled 90 days or less (15 days or less for summer school transportation) is reported separately from pupils enrolled in excess of 90 days (over 15 days for summer transportation).

Suggested Audit Procedures

- 5) Determine, document, and evaluate the process used by LEA to identify pupils transported by days enrolled.
- 6) Obtain online the LEA’s Multi-Year Data Comparison-Reasonability Check. This will be under “review your answers” when the Pupil Transportation (PI-1547) is accessed.
- 7) Compare the pupils reported as transported to the prior year and determine that the number of pupils transported in the current year is reasonable.

**Wisconsin Department of Public Instruction, Financial Services Team
WISCONSIN LOCAL EDUCATION AGENCY AUDIT MANUAL**

- 8) Compare the percentage of pupils reported as transported on the PI-1547 to the September Pupil Count. The last row of the LEA's Multi-Year Data Comparison-Reasonability Check will contain the percentage of students reported on the PI-1547 as compared to the September membership. September membership for 2r Charter can be found at <http://dpi.wi.gov/sms/charter-schools/current/2r-membership>. Auditors will access the report for the fiscal year being audited and take the Headcount figure from the 3rd Friday in September column for the 2r Charter they are auditing to be used as the September membership figure on the PI-1547.
- 9) **Determine whether the percentage transported appears reasonable for the geographical profile of the LEA and does not appear to be based on eligibility rather than actual transportation.** If it appears unreasonable, inquire of the LEA what factors may be affecting the percentage (i.e. transportation to private school). If necessary, **consider additional reasonability tests** (i.e. number of buses, capacity of buses and number of routes compared to pupils reported as transported).

3. Compliance Requirement

A student who is actually transported at least once will be counted in the mileage category as determined by the LEA on the PI-1547. The determination of the mileage category does not need to be modified for the given school year as long as the student continues residing in the school district. Pupils may only be classified in the transportation tables by days *enrolled*. Only "One-Way" mileage (NOT "round-trip" or "total route") using the most direct route from the pupil's residence to the school attended is reported on the PI-1547.

Suggested Audit Procedures

- 10) Using the enrollment records and listing of pupils transported test at least one pupil in each category on current year tables for regular school year and summer school transportation. If the LEA is running special education only routes, **test at least two special education pupils transported. The minimum sample size should be twenty.** Please note that errors in the sample may require additional audit testing and procedures. Test the items selected in the sample for the following:
 - a) Pupils were enrolled in LEA for days reported as being enrolled.
 - b) Pupils are reported within the correct mileage category. (Do not round up the distance.)
 - c) Pupils reported as transported in the 0-2 mileage category reside within the boundaries identified in the UHT plan.
 - d) Pupils reported in the transportation tables were actually transported at least once during the school year.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and provisions for the auditor to test.

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