

Chapter PI 14

SCHOOL FINANCE

PI 14.01	Official enrollment	PI 14.03	Standard school audit contract - minimum provisions
PI 14.02	Minimum uniform contract provisions for section 66.30 agreements between 2 or more school districts	PI 14.10	Driver education aid

PI 14.01 Official enrollment. (1) A resident pupil may be included in the official enrollments of the schools of a district as of the date specified in s. 121.05 (1) (a), Stats., only if:

(a) He or she is in attendance on that date; or

(b) He or she is absent on that date but has attended at least one day during the current school year prior to that date and attends at least one day after that date; or

(c) In the event a pupil has been absent all days during the current school year prior to and on that date, an application has been made for formal homebound instruction as of that date and documentation exists to support this application.

(2) If a pupil who is eligible to be included in the official enrollment under (1) (b) of this section returns following the filing of the fall budget report, an amended report shall be filed.

History: Cr. Register, April, 1979, No. 280, eff. 5-1-79.

PI 14.02 Minimum uniform contract provisions for section 66.30 agreements between 2 or more school districts. (1) **AGREEMENT.** Pursuant to a resolution adopted by each of the cooperating school districts, (list participating districts) said school districts hereby mutually agree, pursuant to s. 66.30, Stats., to the following conditions:

(2) **CONDITIONS.** (a) That said above parties agree and contract for the cooperation of an educational program for students, (identify), as hereinafter set forth;

(b) That the (identify) school district is to be the operator and fiscal agent of said program;

(c) That student membership for state aid purposes be counted by the district of residence;

(d) That the annual budget shall be approved by each participating district prior to the beginning of the fiscal year and that the proration of costs to each participating district be determined prior to June 30 annually on the basis of pupil participation for each district and state aid reimbursements be prorated in the same manner and paid to the participating districts;

(e) That transportation, if required, is to be furnished by district of residence and the special transportation aid shall be claimed by the district of residence; (if the cooperative is to furnish transportation, revise this item)

(f) That the plan of operation for the cooperative shall be approved in advance of contract signing by all school district parties thereto;

(g) That variations from the budget will require prior approval of all school district boards;

(h) That the fiscal agent agrees to file a copy of the contract, any required plan of service and the required financial reports with the department of public instruction;

(i) That the fiscal agent shall establish and maintain records in accordance with the Uniform Financial Accounting System prescribed by the department of public instruction;

(j) Date;

(k) Signatures of president and clerk of each cooperating school district.

(l) Contracts entered into under s. 66.30 (6) as created by section 409 m. of ch. 418 of Laws of 1977 are not covered by this rule.

History: Cr. Register, February, 1979, No. 278, eff. 3-1-79.

PI 14.03 Standard school audit contract - minimum provisions. Although an expansion of the contents of this contract may be desired and is permitted, none of its provisions should be deleted. (s. 120.14 (4), Stats.)

(1) **AUDIT CONTRACT.** This agreement is entered into this ___ day of _____, 19___, between ___ (School Board on behalf of named School District), hereafter referred to as the District, and ___ (Name of Auditor) ___, hereafter referred to as the Auditor. The parties agree as follows:

(2) **AUDIT SCOPE.** (a) The Auditor shall conduct an examination of the statements of receipts and disbursements of all the funds of the District, except ___ (list funds excepted and reasons for exception) ___, for the period from _____, 19___, inclusive.

(b) The Auditor's examination shall be in accordance with generally accepted auditing standards. The examination will not include a detailed audit of transactions to the extent which would be required if intended to disclose defalcations or other irregularities, although their discovery may result. The procedures necessary to comply with generally accepted auditing standards, for purposes of this contract, include those prescribed by the Wisconsin Institute of CPAs in the WISCONSIN SCHOOL DISTRICT AUDIT GUIDE, by the American Institute of CPAs in the Industry Audit Guide—AUDITS OF STATE AND LOCAL GOVERNMENTAL UNITS, and by the Wisconsin Department of Public Instruction in its WISCONSIN PUBLIC SCHOOL DISTRICT AUDIT MANUAL. The 10 generally accepted auditing standards are:

1. The examination is to be performed by a person or persons having adequate technical training and proficiency as an auditor.

2. In all matters relating to the assignment, an independence in mental attitude is to be maintained by the auditor or auditors.

3. Due professional care is to be exercised in the performance of the examination and the preparation of the report.

4. The work is to be adequately planned and assistants, if any, are to be properly supervised.

5. There is to be a proper study and evaluation of the existing internal control as a basis for reliance thereon and for the determination of the resultant extent of the tests to which auditing procedures are to be restricted.

6. Sufficient competent evidential matter is to be obtained through inspection, observation, inquiries, and confirmations to afford a reasonable basis for an opinion regarding the financial statements under examination.

7. The report shall state whether the financial statements are presented in accordance with generally accepted accounting principles.

8. The report shall state whether such principles have been consistently observed in the current period in relation to the preceding period.

9. Informative disclosures in the financial statements are to be regarded as reasonably adequate unless otherwise stated in the report.

10. The report shall either contain an expression of opinion regarding the financial statements, taken as a whole, or an assertion to the effect that an opinion cannot be expressed. When an overall opinion cannot be expressed, the reasons therefor should be stated. In all cases where an auditor's name is associated with financial statements, the report should contain a clear-cut indication of the character of the auditor's examination, if any, and the degree of responsibility he/she is taking.

(c) The standards of reporting (#7 above) require that the auditor's report will take note of a comprehensive basis of accounting other than the accrual basis. Only the full accrual basis is in accordance with generally accepted accounting principles.

(d) The auditor shall express an opinion on the financial statements of all funds covered in the scope of this engagement. If the Auditor is unable to express an unqualified opinion, the Auditor shall state fully the reasons for qualification or disclaimer of opinion.

(3) **INDEPENDENCE.** Implicit in the Auditor's expression of an unqualified opinion on financial statements is his/her representation that he/she is independent with respect to those statements.

(4) **TIMING, LOCATION AND CONDUCT OF AUDIT WORK.** (a) The District recognizes that its appropriate officers have the responsibility for the proper recording of transactions in the books of account, for the safeguarding of assets and for the substantial accuracy of the statement of receipts and disbursements. These District officers have the responsibility to close and balance all accounts and to have prepared statements of receipts and expenditures for all funds to be examined by the Auditor.

(b) The audit shall be conducted on District premises at a mutually agreeable time and the District shall provide space deemed adequate by the Auditor to conduct the examination efficiently.

(c) The Auditor shall observe the adequacy of the systems of internal control, including controls over student activity funds. If material weaknesses are noted, appropriate recommendations will be reviewed with the appropriate administrator and then included in a separate letter to the District's School Board.

(d) The District also authorizes the Auditor to respond directly to inquiries from the Department of Public Instruction, including requests to review audit working papers. The Auditor shall notify the School Board of any such inquiries or requests and of the Auditor's reply thereto.

(5) REPORTS. The Auditor shall submit to the District's School Board the following reports:

(a) Report on examination of statement of receipts and disbursements for the year ended June 30, 19__ and additional information as requested.

(b) Audit statement for school year ended June 30, 19__ to be submitted to the Wisconsin Department of Public Instruction.

(c) Letter of recommendations as discussed above.

(d) Audit statement to the State Superintendent of Public Instruction for audits required for federal programs.

(e) Membership Audit Statement, as required by the Department of Public Instruction.

(f) Food Services Field Review Questionnaire as required by the Department of Public Instruction.

(g) _____

(h) _____

(6) COMPENSATION AND TERMS OF PAYMENT. (a) Fees will be based on the time required by the individuals assigned by the Auditor, plus direct expenses. Individual hourly rates vary according to the degree of responsibility involved and the skill required.

(b) _____, CPA, is the partner in charge of all work performed by the Auditor. He/She is responsible for all aspects of this engagement.

(c) The Auditor estimates the fee for this examination and above-listed reports will range from \$ _____ to \$ _____. Should unforeseen difficulties be encountered during the course of our examination which would require additional work on our part, an estimate of the cost of such additional work shall be brought to the Board's attention prior to the performance thereof.

(d) The Auditor may submit bills as work progresses and as expenses are incurred.

(Name of School District)
by _____
(Name of Contracting District Officer or
Officers)

(Name of Auditor)
by _____, CPA, Partner
(Name of Partner)