

**Wisconsin Department of Public Instruction, Financial Services Team**  
**WISCONSIN PUBLIC SCHOOL DISTRICT AUDIT MANUAL**

***MEMBERSHIP AUDIT REQUIREMENTS***

Section 115.28(18), Statutes, requires an annual audit of reported membership for at least 25% of the school districts. The membership audit is due at the department May 1. No extensions to this date will be granted as membership is a factor determining compliance with the 2005-2006 revenue limits. Districts selected for audit will be notified by the DPI each year. Districts are selected for membership audit as follows:

1. Random Selection:
  - A. Four year cycle pool. All districts are selected for an audit at least once every four years.
  - B. Annual selection pool. A selection of 5% of those districts not selected above.
2. Districts audited in the prior year having a net error rate in excess of 1% from the reported membership, for either count date, and not selected by previous procedures.
3. The January pupil count reported was not received by January 31, and not selected by the procedures listed above.

A membership audit program, reflecting current requirements, is developed annually by the DPI. Auditors must use the membership audit program developed. The extent of audit tests and procedures will be dependent upon the district's attendance procedures and system of internal control. The audit must include an examination of claimed summer school membership.

The auditor must test a representative number of students for attendance, age, enrollment, and program schedule. Auditors will also perform a full examination of attendance for all students who entered after the start of the school year, or withdrew prior to the date of audit.

Exceptions identified must be reported to DPI. The audit report must include the student's name, grade level, and reason for exception. Reported exceptions will be reviewed by DPI for final resolution.

After January 30, 2006, any changes to reported pupil count must be made online through the PI 1563 membership audit report. Auditors do not have access to the pupil count report other than to view the data entered. The district will enter audit differences by adjusting data originally entered in the report. The new amounts will be identified as audited numbers. The auditor's opinion attests to the accuracy of the reported membership counts.

If a district does not have class lists supporting the membership submitted to DPI, the sampling procedure in the membership audit program cannot be used. Instead the auditor will have to build the membership count by determining eligible students from attendance records. If this procedure is used by the auditor, it must be disclosed in the report.