

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

QUALIFICATIONS OF AUDITORS

Audits shall be performed by a certified public accountant or public accountant licensed by the State of Wisconsin Department of Regulation and Licensing.

INDEPENDENCE

Generally accepted government auditing standards (GAGAS) require the auditor to maintain independence in all matters relating to the audit engagement. This independence is demonstrated if the following criteria are adhered to:

1. School district officials accept responsibility for the financial statements, including the MD&A, footnotes, and supplemental information.
2. School district personnel prepare and code the source documents relating to accounting transactions.
3. The auditor demonstrates independence in attitude by conducting sufficient audit tests and documenting results in the work papers.

By expressing an opinion, the auditor acknowledges independence relating to the district's financial statements.

COMPETENCE

Generally accepted auditing standards require the staff assigned to perform the audit should collectively possess adequate technical knowledge, skills, and experience needed to be competent for the audit tasks being performed. The audit team should collectively possess the following:

1. Knowledge of GAGAS.
2. Understanding of the environment in which Wisconsin school districts operate, including DPI reporting requirements
3. Clear and effective communication skills
4. Skills appropriate to perform statistical sampling and analysis, review of information systems, and actuarial estimates.

CONTINUING PROFESSIONAL EDUCATION (CPE)

Each auditor performing audit work under GAGAS should complete 80 hours of CPE every 2 years. At least 24 hours of CPE should be in subjects directly related to government auditing, the government environment, or the unique environment in which the entity operates. At least 20 hours of the 80 should be completed in any one year of the 2-year period.

EXTERNAL PEER REVIEW

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Auditor firms should have an external peer review conducted at least once every three years. GAGAS recommends that auditors who rely on another auditor's work to request a copy of the auditor's most recent peer review report and any letter of comment. The peer report and letter of comment should be made available in a timely manner. As such audit firms are required to submit a copy of the most recent peer review report and letter of comment to DPI.