

CHARTER INSTRUMENTALITY

AUDIT REPORT AND OPINION REQUIREMENTS AND GUIDELINES

1. FINANCIAL AUDITS

1.1 Required to be conducted for the first, third, and fifth years of the contract.

1. Due to MPS Contracted School Services within ninety (90) days of year-end — September 30, 2017, for June 30, 2017, year-end.
2. Deadline can be extended if agency requests and receives written approval from MPS Contracted School Services.

1.2 Financial Reports required include:

1. A set of financial statements, including:
 - a. Statement of Activities and Changes in Net Assets
 - b. Full Footnote Disclosure
 - c. An auditor's opinion that states:
 - (1) the Financial Statements are fairly stated in all material respects in conformity with Generally Accepted Accounting Principles (GAAP);
 - (2) the audit was conducted in accordance with Generally Accepted Auditing Standards (GAAS);
 - (3) the audit was conducted in accordance with Government Auditing Standards (GAS);
 - (4) the auditor's report on internal control over financial reporting; and
 - (5) the auditor's report on compliance with laws, regulations, and provisions of contract or grant agreements.

Note: Additional statements and schedules may be required, depending on the individual school's contract with MPS. It is important that your auditor review the contract to determine if your auditors are required to issue any additional statements or schedules.

2. A separate Schedule of Contract Revenues and Expenses which is prepared in a format consistent with the schedule available on MPS Audit Service's web page and includes an auditor's opinion that states that:
 - a. the schedule is fairly stated in all material respects;
 - b. the auditor's report on internal control over financial reporting;
 - c. the auditor's report on compliance with laws, regulations, and provisions of contract or grant agreements; and
 - d. any exceptions noted.

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Schedule and opinion format are available at MPS Audit Services' webpage:

<http://mps.milwaukee.k12.wi.us/en/District/About-MPS/School-Board/Audit-Services/Charter-School-Documents.htm>

3. Single Audit Report prepared in accordance with the provisions of US Office of Management and Budget (OMB) Circular 133, if applicable.
4. Management Letter. All management letters and other reports of an independent auditor transmitting reportable conditions or advice to management must be submitted to MPS Contracted School Services within fifteen (15) days of receipt.

2. PERFORMANCE AND COMPLIANCE AUDITS

2.1 Required to be conducted annually.

1. Due to MPS Contracted School Services sixty (60) days after receipt of the Pupil Academic Achievement Report.
2. Deadline can be extended if agency requests and receives written approval from MPS Contracted School Services.

2.2 Performance and Compliance Reports required include:

1. Report on Compliance with Charter School Contract Provisions
 - a. A schedule listing the contract provisions which the charter school is required to comply with and management attestation about whether or not the school has complied with the requirement. Where noncompliance is noted, the degree of noncompliance should be reported.
 - b. An auditor's opinion that states that:
 - (1) management's assertion that the charter school has complied with the contract requirements listed on the accompanying schedule for the school year ended June 30, 2017, (except for...) is fairly stated in all material respects;
 - (2) the audit was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; and
 - (3) the audit was conducted in accordance with the minimum audit procedures established by the Milwaukee Public Schools.

Opinion format and MPS Minimum Audit Procedures are available at MPS Audit Services' WEB page:

<http://mps.milwaukee.k12.wi.us/en/District/About-MPS/School-Board/Audit-Services/Charter-School-Documents.htm>

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2. Report on Charter School Performance Results

a. A report listing each of the performance measures listed in the contract and a statement for each measure indicating whether the school met or did not meet the measure. In addition, if a school chooses to use local standards and assessments, these measures must also be included and analyzed in the report. When a measure is determined not to be applicable to a school, the report needs to indicate the reason(s) the measure does not apply to the school.

b. An auditor's opinion that states that:

(1) management's assertion that the charter school's results reported in the accompanying Report on Academic Performance for the school year ended June 30, 2017, are accurate, valid, and representative of all students attending the school and is fairly stated in all material respects.

Management's assertion that the charter school attained (or did not attain) at least 75 percent of the applicable performance criteria for the school year ended June 30, 2017 and is fairly stated in all material respects.

The audit was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The audit was conducted in accordance with the minimum audit procedures established by the Milwaukee Public Schools.

Opinion format and MPS minimum audit procedures are available at MPS Audit Services' WEB page

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Performance and Compliance Audit Findings

1. When audit opinion identifies an exception
2. Prepare a finding sheet to include the following (for each finding):
 - i. Criteria
 - ii. Condition
 - iii. Recommendation
 - iv. Management's Response

PUPIL ELIGIBILITY AUDITS

Required to be conducted for every year that ends in an odd number.

2016-17 school year audit report

1. Due to MPS Contracted School Services along with the Performance and Compliance Audit sixty (60) days from receipt of the Pupil Academic Achievement Report
2. Deadline can be extended if agency requests and receives written approval from MPS Contracted School Services.

Pupil eligibility reports required include:

1. Separate schedules reporting attendance for each of the two count dates.
2. An auditor's opinion that states:
 - a. The membership counts on the separate reports fairly present, in all material respects, the number of students eligible to be counted under the MPS Charter School Program for the purpose of determining student eligibility for contract payments.
 - b. The audit was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.
 - c. The audit was conducted in accordance with the membership audit procedures developed by the Wisconsin Department of Public Instruction.

Schedule and opinion format are available at MPS Audit Services' WEB page

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