

Davis School District Policy and Procedures

Subject: 6F-302 Audit ~~Review~~ Committee

Index: Finance

Revised DRAFT: ~~January 22, 2019~~ February 3, 2021 (draft 2 as amended in Board Mtg 2/2)

1. PURPOSE AND PHILOSOPHY

This policy is established to provide for the membership, functions, and responsibilities of the Audit ~~Review~~ Committee of the Board of Education of Davis School District (Board).

The Audit Committee establishes an internal audit program that objectively evaluates the effectiveness of the District administration governance, risk management, internal controls, and the efficiency of operations.

2. AUDIT ~~REVIEW~~ COMMITTEE

- 2.1. The Board ~~president~~ shall designate three (3) Board members to serve on an audit ~~review~~ committee (Committee).
- 2.2. Other members may be appointed, as necessary, but shall not include any administrators or employees of the Davis School District (District).
- 2.3. Members of the Committee shall serve without compensation.

3. DUTIES AND RESPONSIBILITIES

- 3.1. The Committee shall:
 - ~~3.1.1. oversee the activities of the District's Internal Auditor;~~
 - ~~3.1.2. oversee the activities of any contracted audit services, in the event the District contracts for internal audit services;~~
 - ~~3.1.3. ensure the District has a functioning internal audit program;~~
 - ~~3.1.4. meet regularly to review reports and related matters;~~
 - ~~3.1.5. report the fiscal position of the District to the Board monthly; and~~
 - ~~3.1.6. review annually the external auditors findings and ensure they are reported to the Board.~~
 - 3.1.1. ensure the District obtains all audits, agreed-upon procedures, engagements, and financial reports required by Utah Code §51-2a-201;
 - 3.1.2. provide an independent forum for internal auditors, internal audit contractors, and other regulatory bodies to report findings of fraud, waste, abuse, non-compliance, or control weaknesses, particularly if District administration is involved;
 - 3.1.3. ensure that corrective action on findings, concerns, issues and exceptions reported by independent external auditors, internal auditors, or other regulatory bodies are resolved in a timely manner by District administration;
 - 3.1.4. present, as appropriate, information and reports from the audit committee's meetings to the Board; and
 - 3.1.5. receive, as appropriate, reports of reviews, monitoring, or investigations conducted by District administration and ensure appropriate corrective action is taken in a timely manner.
- 3.2. With regards to engagements completed by an independent external auditor, the Committee shall:
 - 3.2.1. manage the audit procurement and quality process in compliance with Utah Code Title 63G, Chapter 6a, State Procurement Code and Utah Administrative Code R123-5;

- 3.2.2. ensure that the independent external auditor has access to directly communicate with the audit committee;
- 3.2.3. review disagreements between independent external auditors and District administration;
- 3.2.4. consider District responses to audits or agreed-upon procedures; and
- 3.2.5. determine the scope and objectives of other non-audit services, as necessary.

3.3. The Committee shall establish an **internal audit program** that provides internal audit services for the programs administered by the District, and shall:

- 3.3.1. advise the Board in the appointment of an audit director or in contracting for internal audit services;
- 3.3.2. conduct or advise the Board in an annual evaluation of the internal audit director or contracts providing internal audit services.
- 3.3.3. prioritize the internal audit plan based on risk;
- 3.3.4. receive regular updates on the internal audit plan and internal audit project progress; and
- 3.3.5. receive final internal audit reports from internal auditors or contractors providing internal audit services.

3.2.3.4. The Committee shall review all internal and external audit reports relating to the Board and determine that:

- 3.2.4.3.4.1. schools and District departments are in compliance with applicable statutes, regulations, and Board policies;
- 3.2.2.3.4.2. generally accepted accounting practices are in effect;
- 3.2.3.3.4.3. management properly develops and adheres to a sound system of internal controls;
- 3.2.4.3.4.4. management reviews financial information, financial statements, and records on a regular basis;
- 3.2.5.3.4.5. management adheres to purchasing policy in conducting a competitive RFP process for the District's External Audit Services; and
- 3.2.6.3.4.6. any other appropriate recommendations in the audit reports are implemented.

3.3.3.5. The Committee will recommend to the Board:

- 3.3.4.3.5.1. the audit assignments to be performed at the respective schools and District departments; and
- 3.5.2. matters that the Committee determines necessary or advisable to bring the District into compliance with applicable statutes, regulations, and Board policies.

4. TRAINING

3.3.2. The Board president shall ensure that the members of the Board and audit committee are provided with training as outlined in Utah Administrative Code R277-113-4.

REFERENCES

[Utah Code Ann. §51-2a-201 – Account reports required.](#)

[Utah Code Title 53G, Chapter 7, Part 4 – Internal Audits.](#)

[Utah Administrative Code R277-113 – LEA Fiscal and Auditing Policies.](#)

DOCUMENT HISTORY:

Adopted: October 18, 1988

Revised: February 3, 2015 – Changes made to comply with changes in state law.

March 8, 2018 - Education code references updated in accordance with 2018 recodification.

Revised: January 22, 2019 – Updated membership language. Committee appointment made by Board President. Eliminated language on committee member terms and appointment dates.

Revised _____ [- To comply with changes to Utah Administrative Code R277-113-4.](#)