

Noninstructional Operations and Business Services

Annual Audit

I. Purpose

This policy provides for an annual audit of the books and records of the school district in order to comply with law, to provide a permanent record of the financial position of the district, and to provide guidance to the district to correct any errors and discrepancies in its practices.

II. General Statement of Policy

The school district will comply with all laws relating to the annual audit of the books and records of the district.

III. Requirement

- A. The school board will appoint independent certified public accountants to audit, examine and report upon the books and records of the school district. The school board may enter into a contract with a person or firm to provide the agreed-upon services.
- B. After the close of each fiscal year; the books, records and accounts of the district will be audited by the appointed independent certified public accountants, in accordance with applicable standards and state and federal laws. The superintendent and district administration will cooperate with the auditors.
- C. The district will submit, prior to September 15 of each year, unaudited financial data for the preceding year to the Minnesota Commissioner of Education (“Commissioner”) on forms prescribed by the Commissioner. The report will also include those items required by state law.
- D. The district will, prior to November 30 of each year, provide audited financial data for the preceding fiscal year to the Commissioner. The district will provide to the Commissioner and the state auditor, prior to December 31 of each year, an audited financial statement in a form that will allow comparison with and correction of material differences in the unaudited data. The audited financial statement must also provide a statement of assurance pertaining to compliance with uniform financial accounting and reporting standards and a copy of the management letter submitted to the district by its auditor.
- E. The audit must be conducted in compliance with generally accepted

governmental auditing standards, the Federal Single Audit Act and the Minnesota Legal Compliance Guide issued by the *office of the state auditor*.

- F. The school board must approve the audit report by resolution or require a further or amended report.
- G. The administration will report to the school board regarding any actions necessary to correct any deficiencies or exceptions noted in the audit.
- H. The accounts and records of the district will also be subject to audit and inspection by the state auditor to the extent provided in state law.

Legal References:

Minn. Stat. Ch. 6 (State Auditor)

Minn. Stat. § 123B.02 (School District Powers)

Minn. Stat. § 123B.09 (School Board Powers)

Minn. Stat. § 123B.14, Subd. 7 (Duties of School Board Clerk)

Minn.Stat. § 123B.77, Subds. 2 and 3 (Audited Financial Statements; Statement for Comparison and Correction)

Cross Reference:

Policy 703 (Accounting)

Policy

adopted: 9/27/10

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INDEPENDENT SCHOOL DISTRICT 273

Edina, Minnesota