

## AUDITS/FINANCIAL MONITORING

Code **DIE-R** Revised **12/12**

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### **Auditor selection**

At the close of each fiscal year, a certified public accounting firm will conduct an audit of all funds of the district and all accounts of each school. The firm selected will provide a management letter to the district upon completion of the audit. The administration will give each board member a copy of the management letter in executive session and the audit in open session.

### **Criteria for selecting auditor**

The selection of an auditor is a difficult process inasmuch as there are a number of accounting firms who are not only interested but who are also capable of providing competent services. Consequently, the board has developed the following criteria for consideration in the selection of an auditor.

- availability of staff to provide assistance throughout the school year
- experience in auditing school districts in South Carolina
- cost of providing audit and other auditing services
- quality of work
- methods of operation
- professional reputation
- adequacy of staff and facilities
- references
- quality control requirements (stipulated by GAS)

### **Procedures for selection of auditor**

The superintendent will screen and recommend to the board certified public accounting firms qualified to conduct the annual audit.

The superintendent will invite proposals from any interested certified public accounting firms. The proposals must include the following information.

- name and address of firm, responsible administrative officer, phone number, and specific data for the firm's liaison or contact person
- brief history of the firm, including date established and work experience
- list of principals and key staff, including the professional background of each
- list of school districts and other governmental entities previously audited
- proposed costs and time schedule
- statement relative to the method of operation
- references
- most recent quality control report

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Based upon the previously discussed selection criteria and after a study of the documentary materials presented by the certified public accounting firms, the superintendent selects firms for personal interviews.

The board formally chooses the auditor in an official meeting, either regularly scheduled or special. All firms invited to submit documentary material will be notified in writing of the board's decision. The auditing firm selected serves as the district's external auditor for a period of three fiscal years. The board will annually review the appointment.

### **Required services by auditor selected**

- Audit all financial accounts of the district and each individual school.
- Provide the board a detailed management letter.
- Provide accounting advice to district administration, including assistance with inservice training for staff, when requested.

Adopted 11/3/97; Revised 12/3/12

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### Legal references:

- A. S.C. Code, 1976, as amended:
  1. Section 59-20-60 – Audit requirements of Education Finance Act.
- B. State Board of Education Regulations:
  1. R-43-175 – Audits.