

Non-Instructional Operations and Business Services

Annual Audit

I. Purpose

This policy provides for an annual audit of the financial statements and internal controls of the school district in order to comply with state and federal laws, 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 state and federal laws relating to the annual audit of the financial statements and internal controls of the district.

III. Requirement

- A. The school board will appoint an independent certified public accounting firm to audit, examine and report upon the financial statements and internal controls of the school district.
- B. After the close of each fiscal year, the financial statements, transactions, account, and internal controls of the district will be audited by the appointed independent certified public accounting firm, 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. Approval of the audit includes approving the district administration's recommended assigned general fund balances.
- 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 (General Powers of Independent School Districts)
 Minn. Stat. § 123B.09 (Boards of Independent School Districts)
 Minn. Stat. § 123B.14, Subd. 7 (Clerk Records)
 Minn. Stat. § 123B.77, Subds. 2 and 3 (Audited Financial Statements; Statement for Comparison and Correction)

Cross Reference:

Policy 702 (Fund Balances)
 Policy 703 (Accounting)
 Policy 705 (Development and Maintenance of an Inventory of Fixed Assets and a Fixed Asset Accounting System)

Policy
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INDEPENDENT SCHOOL DISTRICT NO. 273
 Edina, Minnesota