

## Policy DI/DIE Fiscal Accounting/Audits

Issued 1/22

Purpose: To establish the basic structure for accounting for and reporting of the district's financial resources.

The district accounting system will provide an accurate record of financial transactions. The superintendent will maintain accounting procedures adequate to properly record all financial transactions in accordance with the most current *Financial Accounting Handbook* developed by the South Carolina State Department of Education.

The superintendent is ultimately responsible for receiving and properly accounting for all funds of the district.

The superintendent or designee will present the board with monthly financial statements of revenue and expenditures including budgeted amounts which reflect the financial operations of the district.

In accordance with state law and regulation, all financial records and program funds of the district will be audited following the close of each fiscal year.

The board will contract with an independent certified public accountant to conduct an annual financial audit and a purchasing audit to be conducted a minimum of every three years, covering the preceding years. The financial audits and purchasing audits will comply with all state laws and regulation audit standards.

In addition, purchasing audits will require the auditing of all payments of more than \$50,000 total in any fiscal year to any vendor to ensure the Procurement Code was followed with respect to contracting and payments. This includes payments of all types, regardless of the funds used for such payments and regardless whether purchase orders were used. These requirements will be included in all Requests for Proposals and all proposed contracts for Purchasing Audit Services.

The district will forward a copy of appropriate audited financial statements to the state department and other state or federal agencies as required by applicable state law or regulations. The full audit reports, including all notes and schedules as provided to the district, will be provided to the board at the first regularly-scheduled board meeting after receipt of the final audit results. The administration will recommend to the board any policy, process or procedure changes necessary to remediate any deficiencies found as a result of audits.

An internal financial review of accounting procedures and expenditure records will be conducted for all schools on a two-year cycle by the finance office.

Adopted 2/24/69; Revised 3/29/81, 4/28/86, 6/25/07, 1/24/22

### Legal References:

S.C. Code of Laws, 1976, as amended:

[Section 59-17-100](#) - Districts to provide South Carolina Department of Education with copies of audit reports.

[Section 59-20-60](#) - Spending priority; audits; reports.

[Section 59-20-80](#) - School budgets will be made public; itemization of salaries.

S.C. State Board of Education Regulations:

[R43-172](#) - Accounting and reporting.

School District Five of Lexington and Richland Counties