

**AUDITS**  
*(Audit Process)*

1. The district shall cause an audit examination ("audit") to be conducted annually as directed in Board policy. The audit must include the district's:
  - < General, Special Revenue, Debt Service and Capital Projects funds.
  - < Fiduciary funds.
  - < Proprietary funds.
  - < Component units that do not issue their own financial statements.
  - < Transportation records.
  - < Attendance records.
  - < Food service records.
  - < Other programs, funds or processes as specified by the Board or required by law.

Component units are organizations that warrant inclusion as part of the school district's audit because of the nature and significance of their relationship with the district, including ongoing financial support. Whether an entity is a component unit of the school district is determined by the auditor based on input from the district.

2. The audit report shall contain:
  - < A statement of the scope of the audit.
  - < A statement as to whether the audit was conducted in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
  - < The independent auditor's opinion as to whether the financial statements included in the audit report present fairly the results of the operations during the period audited.
  - < A statement as to whether the financial statements accompanying the audit report were prepared in accordance with generally accepted accounting principles or another comprehensive basis for accounting.
  - < The reason or reasons an opinion is not rendered in the event the independent auditor is unable to express an opinion with respect thereto.

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- < The independent auditor's opinion as to whether the district's budgetary and disbursement procedures conform to the requirements of Chapter 67, RSMo.
  - < The independent auditor's opinion as to whether attendance and transportation records are so maintained by the district as to disclose accurately average daily attendance and average daily transportation of students during the period of the audit.
  - < The schedule of selected statistics, as specified annually by the Department of Elementary and Secondary Education (DESE).
  - < Financial statements presented in such form as to disclose the operations of each fund of the district and a statement of the operations of all funds.
3. The independent auditor shall provide a copy of the audit report to each member of the Board and the superintendent.
  4. As directed by Board policy, the superintendent will transmit to DESE a copy of the final audit report, the related management letter if prepared by the auditor, and a copy of the final, approved and signed Board minutes or Board resolution approving the audit report no later than December 31.

When a district has a single audit performed on federal funds and has federal findings or questioned costs, the district must submit the district's corrective action plan with the audit report and management letter. The corrective action plan must be in a separate document from the audit report.

5. As directed in Board policy, the superintendent shall prepare a summary of the audit report within 30 days of receiving the report. The summary shall include:
  - < A summary statement of fund balances and receipts and disbursements by major classifications of each fund and all funds.
  - < A summary statement of the scope of the audit.
  - < The auditor's opinion on the financial statements included in the audit report.
  - < Any other matter the Board deems appropriate.
6. Immediately upon the completion of the summary, the superintendent shall publish it once in a newspaper within the county in which all or a part of the district is located that has general circulation within the district. If no such newspaper exists, the Board shall post the summary

in at least five public places within the district. The publication shall state where the audit report is available for inspection and examination. The report shall be kept available in the superintendent's office for inspection.

### **Federal Funds Audits**

*Federal Awards* B Federal financial assistance and federal cost-reimbursement contracts the district receives directly from federal awarding agencies or indirectly from pass-through entities.

*Federal Program* B All federal awards assigned a single number in the Catalog of Federal Domestic Assistance or federal awards from the same agency for the same purpose.

*Program-Specific Audit* B An audit of one federal program.

*Single Audit* B An audit that includes the district's financial statements and the federal awards.

If the district spends a total amount of federal awards equal to or in excess of the amount specified by the Office of Management and Budget (OMB) as the single audit threshold, the district shall either have a single audit or a program-specific audit made for such fiscal year in accordance with the Single Audit Act, *Government Auditing Standards* and the requirements of federal law.

If the district spends a total amount of federal awards that is less than the amount specified by the OMB, the district will be exempt from a single audit or program-specific audit under federal law, but the district will still have a general audit of district funds conducted, which may include an audit of federal funds.

Upon request, the district will make records available for review or audit by appropriate federal officials.

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***Note: The reader is encouraged to review policies and/or forms for related information in this administrative area.***

Implemented:

Revised:10/20/2016

East Carter R-II School District, Ellsinore, Missouri