

AUDITS
(Seven-Director Districts)

1. The district shall cause an audit examination ("audit") to be conducted annually. 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.

This audit shall be made in accordance with generally accepted auditing standards applicable in the circumstances, including such reviews and tests of the system of internal check and control and of the books, records and other underlying data as are necessary to enable the independent accountant performing the audit to come to an informed opinion about the financial affairs (including attendance and transportation transactions) of the district. An independent auditor who is not regularly engaged as an employee of the School Board shall perform the audit and make a written report of the findings.

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.

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- ▶ 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.
 - ▶ 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; plus five (5) additional copies to the district.
4. The superintendent is responsible for furnishing DESE a copy of the audit report not later than December 31 each year.
5. The superintendent, on behalf of the Board, 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 Board 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 (5) 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 – Federal financial assistance and federal cost-reimbursement contracts the district receives directly from federal awarding agencies or indirectly from pass-through entities.

Federal Program – All federal awards assigned a single number in the Catalog of Federal Domestic Assistance or encompassed in a group of numbers or other category as defined by the Office of Management and Budget (OMB).

Program-Specific Audit – An audit of one (1) federal program.

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

Federal awards will be audited in accordance with The Single Audit Act and *Government Auditing Standards*. If the total amount of federal awards meets or exceeds the threshold defined by the OMB, the district will perform either a single or program-specific audit of the federal awards for that fiscal year.

If the district expends federal funds under only one (1) federal program and the federal program's laws, regulations or grant agreements do not require a financial statement audit of the district, the district may elect a program-specific audit.

If the district expends federal funds under more than one (1) program or if the single federal program's laws, regulations or grant agreements do require a financial statement audit of the district, the district must conduct a single audit.

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

Implemented: 08/11/2003

Last Revised: 02/18/2010

Cole County R-I School District, Russellville, Missouri