

**DISTRICT CODE: 703
ANNUAL AUDIT**

Policy reflects Minnesota statute and aligns with other District 270 policies.

I. PURPOSE

The purpose of this policy is to provide for an annual audit of the books and records of the School District in order to comply with law, to provide a permanent record of the School District's financial position and to provide guidance to the District when correcting errors and discrepancies is necessary.

II. GENERAL STATEMENT OF POLICY

It is the policy of this School District to comply with all laws relating to the annual audit of the books and records of the School District.

III. REQUIREMENT

- A. The School Board must hire independent certified public accountants to audit, examine and report findings from the books and records of the School District. The School Board may enter into a contract with a person or firm to provide the agreed upon services.
- B. After the close of each fiscal year, the books, records and accounts of the School District must be audited by said independent certified public accountants in accordance with applicable standards, timelines and legal requirements. The superintendent and members of the administration must cooperate with the auditors.
- C. The School District must, prior to September 15 of each year, submit unaudited financial data for the preceding year to the Commissioner of the Department of Education (the Commissioner) on forms prescribed by the Commissioner. The report must also include those items required by Minn. Stat.
- D. The School District must, prior to November 30 of each year, provide, to the Commissioner audited financial data for the preceding fiscal year. The School District must, prior to December 31 of each year, provide to the Commissioner and the State Auditor an audited financial statement in a form that will allow comparison with and

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- 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 School 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 for future Board approval.
 - G. The administration must 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 School District must also be subject to audit and inspection by the State Auditor to the extent provided in Minn. Stat.
 - I. In addition to the previous requirements, the School Board will also establish a Board Audit Committee. The Board Audit Committee will serve as an internal control practice to ensure sound School District fiscal practices are maintained.

Adopted: January 5, 1967

Revised: April 25, 1985; November 2004; February 21, 2008, May 3, 2012, February 18, 2016