

I. PURPOSE

The purpose of this policy is to provide for an annual audit of the books and records of NWSISD in order to comply with law, to provide a permanent record of the financial position of NWSISD, and to provide guidance to NWSISD to correct any errors and discrepancies in its practices.

II. GENERAL STATEMENT OF POLICY

It is the policy of NWSISD to comply with all laws relating to the annual audit of its books and records.

III. REQUIREMENT

- A. The school board shall appoint independent certified public accountants to audit, examine and report upon NWSISD's books and records. 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, NWSISD's books, records and accounts shall be audited by said independent certified public accountants in accordance with applicable standards and legal requirements. The Executive Director and staff shall cooperate with the auditors.
- C. NWSISD shall, prior to September 15 of each year, submit unaudited financial data for the preceding year to the Commissioner for the Department of Education (the Commissioner) on forms prescribed by the Commissioner. The report shall also include those items required by Minn. Stat. § 123B.14, Subd. 7.
- D. NWSISD shall, prior to November 30 of each year, provide to the Commissioner audited financial data for the preceding fiscal year. NWSISD shall, 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 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 NWSISD 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.
- G. The Executive Director shall 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 NWSISD shall also be subject to audit and inspection by the State Auditor to the extent provided in Minn. Stat. Ch. 6.

Legal References: Minn. Stat. Ch. 6 (State Auditor)
Minn. Stat. §123B.09 (School Board Powers)
Minn. Stat. §123B.14, Subd. 7 (Duties of School Board Clerk)
Minn. Stat. §123B.02 (School District Powers)
Minn.Stat. §123B.77, Subds. 2 and 3 (Audited Financial Statements; Statement for Comparison and Correction)

Cross References: NWSISD Policy 702 (Accounting)
MSBA Service Manual, Chapter 9, Public School Finance

Adopted: April 16, 2003