

Adopted: 10-23-06

*Southside Family Charter School Policy 703*

*Orig. 1995*

Revised: 6/19/21

*Rev. 2019*

## **703 ANNUAL AUDIT**

### **I. PURPOSE**

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

### **II. GENERAL STATEMENT OF POLICY**

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

### **III. REQUIREMENT**

- A. The school board shall appoint independent certified public accountants to audit, examine and report upon the books and records of the charter school. The school board may enter into a contract with a person or firm to provide the agreed upon services. The contract for the annual audit will be not more than 5 years. Staff will alert the Board 1 year prior to the expiration of the audit agreement, at which point the Board should solicit bids for the next contract.
- B. After the close of each fiscal year, the books, records and accounts of the school shall be audited by said independent certified public accountants in accordance with applicable standards and legal requirements. The School Administrator and members of the administration shall cooperate with the auditors.
- C. The charter school shall, 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 shall also include those items required by Minn. Stat. § 123B.14, Subd. 7.
- D. The charter school shall, prior to November 30 of each year, provide to the Commissioner audited financial data for the preceding fiscal year. The charter school shall, prior to December 31 of each year, provide to the Commissioner, the State Auditor, and the school's Authorizer 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 the charter school 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 Audit 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 administration shall report to the school board regarding any actions necessary to correct any deficiencies or exceptions noted in the audit. If the audit report finds that a material weakness exists in the financial reporting systems of the school, the school must submit a written report to the Commissioner explaining how the material weakness will be resolved.
- H. The accounts and records of the charter school 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)  
  
Minn. Stat. § 124E.16 (Reports)

***Cross References:*** Southside Family Charter School Policy 702 (Accounting)  
MSBA Service Manual, Chapter 7, Education Funding