

AUDIT

An audit of the accounts of the District shall be made annually by a public school accountant selected by the Board of Education. The audit examination shall be conducted in accordance with statute and generally accepted auditing standards and shall include all funds over which the Board has direct or supervisory control.

An auditor's fee shall be established in each fiscal year. The Board of Education shall select an auditing firm experienced in school accounting and willing to perform the required services for the established fee.

The Superintendent and the Business Administrator/Board Secretary will receive the audit report and recommendations of the public school accountant and prepare a summary prior to the meeting at which the report will be discussed by the Board. Copies of the summary will be available to members of the public.

Within 30 days following the receipt of the annual audit, the Board of Education will, at a regular meeting, cause the recommendations of the auditor to be read and to be discussed, and the discussion noted in the minutes of the meeting. If there are any recommendations, the Business Administrator will develop a Corrective Action Plan to address those recommendations. He/she shall submit the plan to the Board for approval and file the approved plan with the Executive County Superintendent. The Board will direct the implementation of the approved Corrective Action Plan.

If the Board receives more than 50% of its general fund budget in State aid, it shall engage an independent certified public accountant other than the accountant or firm that performs the annual audit to conduct a valid sampling of expenditures to determine the educational value and/or reasonableness of the expenditures. That auditor will also conduct a sufficient sampling of the district's internal controls to determine the adequacy of the District's internal control structure.

<u>Legal References:</u>	<u>N.J.S.A.</u> 18A:6-68	Bookkeeping and accounting system (educational services commission)
	<u>N.J.S.A.</u> 18A:18A-1 <u>et seq.</u>	Public School Contracts Law
	<u>N.J.S.A.</u> 18A:23-1 <u>et seq.</u>	Audits and auditors
	<u>N.J.A.C.</u> 6A:23-1.2	Definitions
	<u>N.J.A.C.</u> 6A:23-2.2(i)	Principles and directives for accounting and reporting
	<u>N.J.A.C.</u> 6A:23A-5.5	Expenditure and internal control auditing
	<u>N.J.A.C.</u> 6A:30-1.1 <u>et seq.</u>	Evaluation of the Performance of School Districts
	<u>N.J.A.C.</u> 6A:32-12.2	School level planning

<u>Cross References:</u>	*1100	Communicating with the public
	*1120	Board of Education meetings
	*3570	District records and reports
	3571	Financial reports
	9127	Appointment of auditor

*Indicates policy is included in the Critical Policy Reference Manual.

Key Words
Audit, Auditor

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