

Philosophy

The Board believes the core business of teaching and learning is best supported by productive, reliable, and efficient District operations. Therefore, the District shall conduct internal and external audits to ensure District operations are performed with integrity, competency, and diligence.

**Annual Finance
Audit**

Selection of Audit
Firm

The District shall contract with a certified public accounting firm that has sufficient resources and capabilities to audit the financial statements of the District.

The audit shall be comprehensive and performed on an annual basis, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the comptroller general of the United States.

The audit firm shall be engaged to perform sufficient tests to obtain reasonable assurance that the information contained in the District's accounting records is reliable and sufficient as the basis for the presentation of the District's financial statements.

The audit report and related findings and recommendations shall be provided to the Board.

Requests for qualifications for audit services shall be solicited not less than every five years unless waived by the Board.

Restrictions

The external accounting firm under contract for the District's audit needs may not be simultaneously engaged to perform other technical or administrative services unrelated to the audit functions unless otherwise approved by the Board of Trustees.

Internal Audit

The District shall support an internal audit program for the purpose of providing an independent, objective evaluation of systems, departments, projects, and plans.

The internal audit function may also provide consulting activities designated to add value and improve the efficiency and effectiveness of District operations. These activities are also known as operational audits.

Purpose

The program's primary objective is to help the Board and administration accomplish their objectives by bringing a systematic approach to evaluating and improving the effectiveness of the organization.

Authority

The Board may retain the services of outside audit firms to perform operational audits as needed or in lieu of an internal auditor position. The internal auditor or outside audit firms, to the extent permit-

ted by law, are authorized to have unrestricted access to all functions, records (paper or electronic), property, and personnel relevant to the performance of internal audits and investigations.

The internal auditor or audit firm shall not direct the activities of any District employee, except to the extent such employee has been appropriately assigned to an auditing/investigative team or to otherwise assist the internal audit function.

The appropriate point of contact between the Board and the internal auditor or outside audit firm is through the chair of the Board audit committee.

Individual Board members may also contact the internal auditor or outside internal audit firm with questions or suggestions of audit focus areas, but shall have no individual authority to direct audits.

Only the Board, acting as a whole, shall approve areas to be audited.

Responsibility

The internal audit program and the internal auditor shall function under policies established by the Board and Board-approved procedures established by the Board audit committee. [See BAA(LEGAL)]

Administration

The administration shall provide appropriate administrative support structure for the internal audit program, such as:

1. Budget, procurement, information technology support; and
2. Adequate working space, furniture, and equipment.

Audit Plan

The internal audit plan of engagements shall be based on a documented risk assessment, undertaken on a periodic basis under the direction of the Board audit committee.

The input of the Board and senior management shall be considered in determining the areas to be audited. The Superintendent may recommend to the Board audit committee areas to be audited and shall work cooperatively with the internal auditor to ensure access and removal of impediments to audited areas.

Internal audits shall be planned and conducted in accordance with the Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors and other professional standards as deemed appropriate.

See CH(LOCAL) regarding the frequency and process for soliciting contracted internal audit services.