

Duchesne County School District
Policy Committee Recommendations

Current Policy Statement (Proposed deletions from current policy highlighted in red.)	USBA Model Policy	Policy Proposal (Proposed additions to our current policy highlighted in blue.)
	<p>Revenue and Budgeting: District Audit Committee</p> <p>Appointment—</p> <p>The Board of Education shall establish a district audit committee as a standing committee of the board and shall appoint the members of the committee and replace such members from time to time. The committee shall consist of [three] [two] members of the Board of Education and [three] [two] members having appropriate character and qualifications but who are not administrators or other employees of the district. [Districts with seven member boards of education must have three board members on the audit committee and are suggested to have three other members; districts with five member boards of education must have two board members on the audit committee and are suggested to have two other members. This note and the nonapplicable bracketed number references should be deleted when this policy is prepared for adoption by the board.]</p> <p>Utah Code § 53A-30-102(1) (2014)</p> <p>Responsibilities—</p> <p>The audit committee shall have the following responsibilities:</p> <p>1. Reporting monthly to the Board of Education on the district’s fiscal position;</p> <p>2. ensuring that the district's management properly develops and adheres to a sound system of internal controls consistent with the requirements of R277-113-5;</p>	<p>Revenue and Budgeting: District Audit Committee</p> <p>Appointment—</p> <p>The Board of Education shall establish a district audit committee as a standing committee of the board and shall appoint the members of the committee and replace such members from time to time. The committee shall consist of two members of the Board of Education and two members having appropriate character and qualifications but who are not administrators or other employees of the district.</p> <p>Utah Code § 53A-30-102(1) (2014)</p> <p>Responsibilities—</p> <p>The audit committee shall have the following responsibilities:</p> <p>1. Reporting monthly to the Board of Education on the district’s fiscal position;</p> <p>2. ensuring that the district's management properly develops and adheres to a sound system of internal controls consistent with the requirements of R277-113-5;</p>

	<p>3. receiving a report of the risk assessment process undertaken by the district's management in developing the system of internal controls;</p> <p>4. developing a process to review financial information, financial statements, and district and individual school records on a regular basis;</p> <p>5. determining the appropriate scope of the independent audit and of nonaudit services to be provided and ensuring that the district's management conducts a competitive RFP process to hire external auditors and other professional services and making a recommendation to the Board of Education on the results of the RFP process consistent with the State Procurement Code;</p> <p>6. acting as liaison between the district and independent auditors by facilitating regular communication with independent auditors, receiving independent audit reports and financial statements, ensuring that management implements corrective actions, assessing the performance of independent auditors, and reviewing disagreements between independent auditors and district management;</p> <p>7. determining the appropriate scope of contracts with management companies that provide business services and student services, managing the procurement process in compliance with the Procurement Code, making recommendations to the Board of Education on the results of the procurement process, assessing the performance of management companies, and ensuring district management implements sufficient internal controls over the functions of the management company;</p> <p>8. receiving communication from or meeting with the external auditors annually and receiving a direct report of the audit findings, exceptions, and other matters noted by the auditor;</p> <p>9. reporting the annual audit reports and findings or other matters communicated by the external auditor or other regulatory bodies to the Board of Education in a public meeting;</p>	<p>3. receiving a report of the risk assessment process undertaken by the district's management in developing the system of internal controls;</p> <p>4. developing a process to review financial information, financial statements, and district and individual school records on a regular basis;</p> <p>5. determining the appropriate scope of the independent audit and of nonaudit services to be provided and ensuring that the district's management conducts a competitive RFP process to hire external auditors and other professional services and making a recommendation to the Board of Education on the results of the RFP process consistent with the State Procurement Code;</p> <p>6. acting as liaison between the district and independent auditors by facilitating regular communication with independent auditors, receiving independent audit reports and financial statements, ensuring that management implements corrective actions, assessing the performance of independent auditors, and reviewing disagreements between independent auditors and district management;</p> <p>7. determining the appropriate scope of contracts with management companies that provide business services and student services, managing the procurement process in compliance with the Procurement Code, making recommendations to the Board of Education on the results of the procurement process, assessing the performance of management companies, and ensuring district management implements sufficient internal controls over the functions of the management company;</p> <p>8. receiving communication from or meeting with the external auditors annually and receiving a direct report of the audit findings, exceptions, and other matters noted by the auditor;</p> <p>9. reporting the annual audit reports and findings or other matters communicated by the external auditor or other regulatory bodies to the Board of Education in a public meeting;</p>
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	<p>10. ensuring that issues and exceptions reported by external audits, internal audits, or other regulatory bodies are resolved in a timely manner; [The remaining items in this list only need to be included for school districts with 10,000 or more students]</p> <p>11. establish and annually review an internal audit program which is independent of other district offices, objectively evaluates the effectiveness of district operations (including governance, risk management, internal controls, and efficiency of operations), and is conducted in accordance with either the current International Standards for the Professional Practice of Internal Auditing or the Government Auditing Standards issued by the Comptroller of the United States;</p> <p>12. prioritizing the internal audit plan, receiving audit reports from internal auditors or contractors providing internal audit services and other regulatory bodies, and providing an independent forum for internal auditors or internal audit contractors or other regulatory bodies to report findings of management abuse or control override;</p> <p>13. ensure that copies of all reports of audit findings issued by the internal auditors are available upon request to the audit director of the State Office of Education, the Office of the State Auditor, and the Office of Legislative Auditor General;</p> <p>14. ensure that significant audit matters that cannot be appropriately addressed by the internal auditors are referred to the audit director of the State Office of Education, the Office of the State Auditor, or the Office of Legislative Auditor General;</p> <p>15. conduct or advise the Board of Education in an annual evaluation of internal audit personnel or contractor; and</p> <p>16. advise the Board of Education regarding appointment of an audit director (if the Board determines to appoint an audit director) or regarding a contract for internal audit services (if the Board contracts directly for internal audit services rather than appointing an audit director).</p>	<p>10. ensuring that issues and exceptions reported by external audits, internal audits, or other regulatory bodies are resolved in a timely manner;</p>
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	<p>Utah Code § 53A-30-102(2), (5) (2014) Utah Code § 53A-30-103(3), (4), (5) (2014) Utah Admin. Rules R277-113-4.C (October 9, 2014)</p> <p>Internal Audit Program—</p> <p>[This section should be included only by districts with 10,000 or more students] The audit committee shall establish an internal audit program. An "internal audit program" is an audit function conducted by the Board of Education which is independent of other district offices, objectively evaluates the effectiveness of district operations (including governance, risk management, internal controls, and efficiency of operations), and is conducted in accordance with either the current International Standards for the Professional Practice of Internal Auditing or the Government Auditing Standards issued by the Comptroller of the United States. An "audit director" is an individual who directs the internal audit program. With the advisement of the audit committee, the Board of Education may appoint an audit director. Rather than appointing an audit director, the Board of Education may also, with the advisement of the audit committee, contract directly for internal audit services.</p> <p>Utah Code § 53A-30-102(2), (5) (2014) Utah Code § 53A-30-103(3) (2014)</p>	<p>Utah Code § 53A-30-102(2), (5) (2014) Utah Code § 53A-30-103(3), (4), (5) (2014) Utah Admin. Rules R277-113-4.C (October 9, 2014)</p>
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