



**NORTH SLOPE BOROUGH SCHOOL DISTRICT
M E M O R A N D U M**

TO: Qaiyaan Harcharek, President
Members of the School Board

THROUGH: Pauline Harvey, Superintendent

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Pauline Harvey
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THROUGH: Fadil Limani, Chief Financial Officer

DATE: April 6, 2021

SUBJECT: Contracts over \$10k-KPMG LLP FY21 Audit Engagement Memo No: SB21-170
(Action Item)

2020-2025 STRATEGIC PLAN SUMMARY

4.0 FINANCIAL & OPERATIONAL STEWARDSHIP: Effectively employ our operational and financial resources to support our strategic goals and long-term stability of the district.

4.2 FINANCIAL STEWARSHIP/MANAGEMENT: Ensure financial management based on what is best for our students.

Issue Summary:

In accordance with applicable Board policy, contracts and MOA's \$10,000 or greater require Board approval. BP 3312. Additionally, as prescribed in Board Policy 3400 Management of District Assets/Accounts, specifically under Audits, the Board shall provide for an annual audit of district accounts by a public accountant who has no personal interest in district fiscal affairs. The audit shall be conducted in accordance with the requirements of state regulations. A certified copy of the audit will be filed with the state Commissioner of Education by November 15 of each year, for the year ending the preceding June 30. Additionally, under Board Policy 3000, the Board under item 6, the Board reviews the annual audit of district accounts and business procedures.

Background:

The School District through the Business Office will commence preparing for the FY21 Audit in the coming months. In doing so, the School District will need to work with the Auditors and the School Board in establishing an Audit Plan and timeline including the possibility of preliminary field work. The School Board appointed KPMG LLP in FY20 to conduct the District FY20 Financial and State and Federal Single Audits. The School District was pleased with the Audit work that was conducted by KPMG and expects to maintain them as their Auditors for the FY21 Audit.

See attached Engagement Letter for further details.

Length of Contract:

The services rendered will be for the FY21 Financial and Federal and State Single Audit. Audit Fieldwork is expected to take place after the year end close for FY21.

Funding Source and Purchase/Contract Amount:

Auditing and Accounting Services	100.200.550.000.412	\$98,500
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Available Budget:

Available Budget after the processing of the BLT is \$98,500

Budget Line Transfer:

See attached BLT worksheet.

Grant Funds:

There are no grant funds associated with the funding of identified contracts.

Compliance with BP 3311:

The North Slope Borough School District appointed KPMG LLP in FY20 as their external Auditor to conduct the Financial Statement and Federal and Single Audit and does not expect to go out for bid in FY21. This is based on industry best practices, specifically the Government Finance Officers Association (GFOA), provides when selecting an Independent Audit Firm, Governmental entities should enter into multiyear agreements in duration when obtaining the services of independent auditors. Such agreements allow for greater continuity and help to minimize the potential for disruption in connection with the independent audit. Multiyear agreements can also help to reduce audit costs by allowing auditors to recover certain "startup" costs over several years, rather than over a single year.

Proposed Motion:

“I move that the NSBSD Board of Education approve the above \$10,000 and greater Audit Engagement with KPMG LLP in an amount not to exceed \$98,500 for the FY2021 Financial and State and Federal Single Audit, as described in this memo and related Audit Engagement Letter.”

Moved by _____ Seconded by _____

Vote _____