

Reason for the Annual Audit

Financial audits provide an independent assessment of whether reported financial information such as financial condition, and uses of resources is presented fairly in accordance with the regulatory framework. Ultimately, the primary purpose of a financial statement audit is for the auditor to provide an opinion or disclaimer of opinion as to whether the financials conform to the reporting framework in all material respects.

Management has significant responsibilities in the audit process including the following:

- Determining the appropriate financial reporting framework while preparing and fairly presenting the financial statements.
- Designing, implementing, and maintaining effective internal controls to prevent fraud or error.
- Identifying and ensuring compliance with applicable laws and regulations.
- Informing the auditor about all known, alleged, or suspected fraud affecting the entity.
- Providing access to all information relevant to allow the auditors to independently verify transactions.
- Providing unrestricted access to persons within the entity from whom the auditor determines it necessary to obtain audit evidence.

A governing body is responsible for oversight and to ensure the following:

- Integrity of the government's financial statements.
- Internal control over operations, compliance with laws and regulations, and financial reporting.
- Internal and independent auditor's qualifications, independence, and performance; the organization's risk management and overall governance process; and
- The government's ethics and compliance program, which includes legal and regulatory requirements.

Elements of an Annual Audit

ACCOUNTS PAYABLE CHECKS

- Transactions verified for accuracy and compliance

EMPLOYEE PAYROLL

- Employees verified for correct salaries, paychecks, and budgetary expenditures
- Verify payments to federal, state, PERS, and insurance agencies
- Verify vacation and sick leave accruals



CAPITAL ASSETS

- All capital assets are verified for documentation and Oregon purchasing law
- Lease agreements are verified for accuracy and inclusion in statements



STUDENT ADM

- Student ADM reported to the State is tested for accurate attendance data

STUDENT BODY BOOKS

- Audited in their entirety



ANALYTICAL

- Comparison in all areas of expense and revenue between years



ADDITIONAL AREAS

- Internal Controls
- Teacher Experience reported to the State
- Oregon Minimum Standards – in compliance with Oregon Statutes
 - Purchasing
 - Public Contracting
 - Budgeting
 - Related Party transactions
 - Ethics



REVENUES (Grants, Taxes, CET)

- Received and reported appropriately

SIA TESTING & SINGLE AUDIT TESTING