



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

**TO:** Nancy Rock, President  
Members of the School Board

**THROUGH:** David Vadiveloo, Chief School Administrator

**FROM:** Fadil Limani, Chief Financial Officer

**DATE:** May 3, 2022

**SUBJECT:** Contracts over \$10,000 – KPMG Audit Fees for FY21 Federal Single Audit (Food Program).

Memo No: SB22-203

**(Action Item)**

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**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 STEWARDSHIP/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:**

During the April 15, 2021 regular School Board meeting, the Board of Education through Board Memo SB21-170 approved the engagement of KPMG LLP as the District's external Auditor to conduct the FY2021 Financial and State and Federal Single Audits. During the course of the FY21 Audit, KPMG identified additional scope of services pertaining to the Federal Single Audit, surrounding the Food Service Program.

The additional scope of services amounted to \$21,950.00. Considering the initial board approval (SB21-170) had a not to exceed amount of \$98,500, the addendum to the initial engagement letter and related fees require Board approval as it exceeds the District's administrations authority.

**Funding Source and Contract Amount:**

The identified funding source is derived from the Auditing and Accounting Services Code 100.200.550.000.412. The available remaining budget is \$25,000.00.

**Length of Contract:**

N/A-This is an addendum to the original engagement under SB21-170. Work has already been completed under the FY21 Audit timeframe.

**Budget Line Transfer:**

N/A

**Grant Funds:**

N/A

**Compliance with BP 3311:**

N/A-This is an addendum to the original engagement under SB21-170.

**Proposed Motion:**

“I move that the NSBSD Board of Education approve the addendum to the original KPMG LLP audit engagement letter dated March 15, 2021 in an amount not to exceed \$21,950.00.”

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

Vote \_\_\_\_\_