

 Meadows Arts and Technology Elementary School	<b>Audit Policy</b>	
	<b>Last Reviewed/Revised:</b> 02/16/2016 Revised	<b>Effective Date:</b> 08/31/2009
<b>Reference Number:</b> BO-AP1-02162014	<b>Original Author:</b> MATES Board	<b>Policy Status:</b> Active

**PURPOSE:**

The Charter Schools Act requires that an annual independent fiscal audit of the books and records of the Charter School be conducted. The Board of Directors (“Board”) of Meadows Arts and Technology Elementary School (“MATES”) recognizes the fiduciary obligation to establish audit policies to comply with regulations and to protect and sustain its assets.

**SCOPE:**

This policy applies to all MATES Board members and personnel tasked with fiscal responsibility.

**GENERAL POLICY STATEMENT:**

The finances of MATES will be audited within defined timelines after the close of each fiscal year by an independent, qualified auditor. Audit findings will be considered a public record and filed with all required parties. Processes for resolution of audit exceptions and/or deficiencies will be established.

**POLICY DETAILS:**

1. ANNUAL INDEPENDENT AUDIT

- 1.1. An annual independent fiscal audit (“Audit”) of the books and records of the MATES will be conducted as required under relevant legal guidelines. The books and records of MATES will be kept in accordance with Generally Accepted Accounting Principles (“GAAP”), and as required by applicable law and the audit will employ generally accepted accounting procedures. The audit shall be conducted in accordance with applicable provisions within the California Code of Regulations governing audits of charter schools as published in the State Controllers Guide.
  - 1.1.1. The Board, Executive Director and designated staff will cooperate fully with the independent auditor identified by Ventura County Schools Business Services Authority (“VCSBSA”).
- 1.2. The Board Chief Financial Officer (“CFO”) shall establish a timetable for the completion and review of the audit within the deadlines established by law and defined by VCSBSA.
  - 1.2.1. Pre-Audit work is expected to be completed each year by the end of April. Preliminary deficiencies will be identified so that, to the extent possible, they can be resolved or addressed with defined resolution plans before the final audit report is published.
  - 1.2.2. The Board CFO or designee shall file the audit for the preceding fiscal year with the County Superintendent, the California Department of Education and the State Controller by no later than December 15<sup>th</sup>.

- 1.2.3. Independent Auditors will perform on site work with the VCSBSA in September and October.
- 1.2.4. By January 31 of each year, the Board shall review the following at an open meeting: the annual audit for the prior year; any audit exceptions identified in that audit; the recommendations or findings of any management letter issued by the auditor and any description of correction or plans to correct any exceptions or any issue raised in a management letter.
- 1.3. Audit Report
  - 1.3.1. The audit shall include an audit of income and expenditures by source of funds for all funds of MATES, as well as an audit of student attendance procedures.
  - 1.3.2. The audited financial reports for MATES shall include:
    - 1.3.2.1. Management's discussion and analysis, which shall introduce the basic financial statements and provide an analytical overview of MATES' financial activities, including:
      - 1.3.2.1.1. An objective and easily readable analysis of MATES' financial activities based on currently known facts, decisions, and conditions
      - 1.3.2.1.2. Comparisons of the current year to the prior year
      - 1.3.2.1.3. An analysis of MATES' overall financial position, enabling a determination as to whether that position has improved or deteriorated as a result of the year's activities
      - 1.3.2.1.4. An analysis of significant changes that occur in funds and significant budget variances
      - 1.3.2.1.5. A description of capital asset and long-term debt activity during the year
      - 1.3.2.1.6. A description of currently known facts, decisions, and conditions that are expected to have a significant effect on MATES' financial position
    - 1.3.2.2. Basic financial statements, including:
      - 1.3.2.2.1. Financial statements, consisting of a statement of net assets and a statement of activities which report all of the assets, liabilities, revenues, expenses, and gains and losses of MATES
      - 1.3.2.2.2. Fund financial statements, consisting of a series of statements that focus on information about the MATES' major governmental and enterprise funds, including its blended component units
      - 1.3.2.2.3. Notes to the financial statements that are essential to a user's understanding of the basic financial statements
    - 1.3.2.3. Supplementary information required by the Governmental Standards Accounting Board, including but not limited to budgetary comparison schedules
  - 1.3.3. The independent fiscal audit of MATES is public record to be provided to the public upon request.
- 1.4. The Executive Director in conjunction with VCSBSA and the audit committee (if established) will review any audit exceptions or deficiencies and report to the Board with recommendations on how to resolve them. The Board will submit a report to the County Superintendent describing how the exceptions and deficiencies have been or will be resolved to the satisfaction of the independent auditor along with an anticipated timeline for the same.
- 1.5. Audit Committee - The Board may establish an audit committee composed of staff knowledgeable in fiscal matters, other staff, and representatives of the

community. The committee shall serve in an advisory capacity to the Board and shall:

- 1.5.1. Review the plan for the audit process with the independent auditor to determine the adequacy of the nature, scope, and timetable of the audit
- 1.5.2. Review the results of the audit and participate with the independent auditor and management in preparing final recommendations and responses
- 1.5.3. Participate with the independent auditor, VCSBSA, Board CFO and/or Executive Director in presenting the audit report to the Board
- 1.5.4. Review Board policies and administrative regulations to recommend any revisions needed to ensure effective financial reporting
- 1.5.5. Provide input on the effectiveness of the independent auditor
- 1.5.6. Periodically report to the Board regarding the status of previous audit recommendations for improving the accounting and internal control systems

**NON-COMPLIANCE TO POLICY:**

Violations of this policy may result in the employee being subject to disciplinary action in accordance with Board disciplinary policy and administrative regulations.

**GOVERNANCE:**

The MATES Board of Directors and Executive Director will be accountable for monitoring adherence to the policy.

**REVIEW CYCLE:**

The MATES Board will be responsible for reviewing the policy every two years or more frequently as required.

**REVISION HISTORY:**

<u>Policy Version:</u>	<u>Effective Date:</u>	<u>Revision:</u>
BO-AP1-08312009	8/31/2009	Original Version
BO-AP1-03152010	3/15/2010	Modify Review Cycle section to modify cycle from bi-annual to every two years.
BO-AP1-05212012	5/21/2012	Reviewed and modified in accordance with every two year review
BO-AP1-02182014	2/18/2014	Reviewed and modified in accordance with every two year review
BO-AP1-02162016	2/16/2016	Reviewed in accordance with every two year review.