

Policy Code: 8310 Annual Independent Audit

The accounts of the school system and the individual schools will be audited as soon as possible after the close of each fiscal year by an independent, qualified auditor. The auditor will be selected by the board, and the terms and conditions will be specified in a written contract that complies with the requirements of [20 N.C.A.C. 03.0502\(c\)](#). The auditor will report directly to the board.

The superintendent shall assist the board in providing for an annual independent audit that meets all requirements as provided by [G.S. 115C-447](#) and any other relevant statute. All employees and agents of the school system having custody of public money or responsibility for keeping records of public financial or fiscal affairs shall produce all books and records requested by the auditor and provide any information relating to fiscal affairs requested by the auditor. Any employee who fails to cooperate may be subject to disciplinary action, up to and including dismissal, and also may be found guilty of criminal conduct.

The board will receive the report and opinion of the auditor and will arrange for the auditor to present to the board the audited financial statements, compliance reports, if any, and other information as specified in the audit contract. The presentation must be in an official meeting in open session, held as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary of the Local Government Commission.

If required by [20 N.C.A.C. 03.0508](#), the board will submit a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters" to the Secretary of the Local Government Commission pursuant to that rule within 60 days of the auditor's presentation to the board.

SELECTION OF AUDITOR

When initiating the selection process for an independent, qualified auditor, the superintendent will notify all certified public accounting firms in the area of the pending appointment by advertising in the local newspapers, on the district website, and through applicable professional organizations and will receive proposals from all firms that express an interest, including the firm that may be completing a current term with the board. A committee consisting of the Board Finance Committee superintendent, and finance officer will consider the qualifications of the firms, their experience in the field of governmental accounting, proposed fee schedules and other factors as the board deems pertinent. The board will consider recommendations of the committee in selecting an auditor.

The board recognizes the value of a continuing relationship with its certified public accountant and the difficulties that may result from frequent changes of auditors. As a result, the board may retain the same firm of certified public accountants for a maximum period of six (6) years, at which time the board must conduct an open bidding procedure. Within any contract period, the board will retain the option of annual renewal.

Legal References: [G.S. 115C-447](#); [20 N.C.A.C. 03.0502](#), [03.0508](#)

Cross References: Professional Employees: Demotion and Dismissal (policy 7930), Classified Personnel: Suspension and Dismissal (policy 7940)

Adopted: 2/4/99

Revised: 10/21/21, 4/18/24

