



*Adopted: June 26, 1996*

*EMID 6067 Board Policy 703*

*Revised: April 20, 2005; March 18, 2015*

## **703 ANNUAL AUDIT**

### **I. PURPOSE**

The purpose of this policy is to provide for an annual audit of EMID's financial records in order to comply with law, to provide a permanent record of EMID's financial position, and to provide guidance to correct any errors and discrepancies in its practices.

### **II. GENERAL STATEMENT OF POLICY**

It is the policy of EMID to comply with all laws relating to the annual audit of its financial records.

### **III. REQUIREMENT**

- A. The Board shall appoint independent certified public accountants to audit, examine and report upon the books and records of the district. The Board may enter into a contract with a person or firm to provide the agreed upon services.
- B. After the close of each fiscal year, the financial records and accounts of EMID shall be audited by said independent certified public accountants in accordance with applicable standards and legal requirements. The Executive Director and members of the administration shall cooperate with the auditors.
- C. Prior to September 15 of each year, EMID shall submit unaudited financial data for the preceding year to the Department of Education. The report shall also include those items required by Minn. Stat. § 123B.14, Subd. 7.
- D. Prior to November 30 of each year EMID shall provide to the Commissioner audited financial data for the preceding fiscal year. Prior to December 31 of each year, EMID shall provide to the Commissioner and the State Auditor an audited financial statement in a form that will allow comparison with and correction of material differences in the unaudited data. The audited financial statement must also provide a statement of assurance in compliance with UFARS and a copy of the auditor's management letter.
- E. The audit must be conducted in compliance with generally accepted governmental auditing standards, the Federal Single Audit Act and the Minnesota Legal Compliance Guide issued by the Office of the State Auditor.



- F. The Board must approve the audit report by resolution or require a further or amended report.
- G. The administration shall report to the Board regarding any actions necessary to correct any deficiencies or exceptions noted in the audit.
- H. The accounts and records of EMID shall also be subject to audit and inspection by the State Auditor to the extent provided in Minn. Stat. Ch. 6.

***Legal References:***

Minn. Stat. Ch. 6 (State Auditor)  
Minn. Stat. § 123B.09 (School Board Powers)  
Minn. Stat. § 123B.14, Subd. 7 (Duties of School Board Clerk)  
Minn. Stat. § 123B.02 (School District Powers)  
Minn.Stat. § 123B.77, Subds. 2 and 3 (Audited Financial Statements; Statement for Comparison and Correction)

***Cross References:***

EMID Policy 702 (Accounting)  
MSBA Service Manual, Chapter 7, Education Funding