

FINANCIAL REPORTS AND ACCOUNTABILITY

The Board of Trustees is committed to ensuring the fiscal health of the district and providing public accountability. The Board shall adopt sound fiscal policies, oversee the district's financial condition, and ensure that the financial systems support the district's goals for student achievement.

(cf. 3100 - Budget)
(cf. 3110 - Transfer of Funds)
(cf. 3300 - Expenditures/Expending Authority)
(cf. 3430 - Investing)
(cf. 9000 - Role of the Board)

The Chief Financial Officer (CFO) or his/her designee shall provide the Board with financial reports throughout the year in accordance with law and as otherwise requested by the Board.

The CFO or his/her designee shall ensure that all financial reports are prepared in accordance with law and in conformity with generally accepted accounting principles and financial reporting standards stipulated by the Governmental Accounting Standards Board and the California Department of Education.

(cf. 3400 - Management of District Assets/Accounts)
(cf. 3440 - Inventories)

The Board shall regularly communicate the district's financial position to the public and shall use financial reports to determine what actions and budget amendments, if any, are needed to ensure the district's financial stability.

If district conditions predict fiscal distress or indicate that the district might not be able to meet its fiscal obligations, the Board and CFO or his/her designee shall act quickly to identify and resolve these conditions. The Board shall work cooperatively with the County Superintendent of Schools to improve the district's fiscal health and may contract with an external individual or organization to advise the district on fiscal matters.

Audit Committee

The Board has established an audit committee composed of two (2) Board Members, the Chief Financial Officer, and the Internal Auditor. The two (2) Board Members will be nominated and appointed by the Board of Trustees each December during the annual Board of Trustees organizational meeting. Audit Committee Meetings are open public meetings; noticed to the public; and minutes are taken. The committee shall serve in an advisory capacity to the Board for matters related to internal and contract audit of district funds, and may:

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

1. Make recommendations regarding the selection of the external independent auditor in accordance with Education code 41020 and 41020.5
2. Review the plan for the audit process with the internal auditor to determine the adequacy of the nature, scope, and timetable of the audit
3. Review the results of the internal and external audit and participate with the auditors and management in preparing final recommendations and responses
4. Participate with the auditors in presenting the audit report to the Board
5. Review Board policies and administrative regulations to recommend any revisions needed to ensure effective financial reporting
6. Provide input on the effectiveness of the independent auditor
7. Periodically report to the Board regarding the status of previous audit recommendations for improving the accounting and internal control systems

(cf. 1220 - Citizen Advisory Committees)

Legal Reference:

EDUCATION CODE

14500-14508 *Financial and compliance audits*
17150-17150.1 *Public disclosure of non-voter-approved debt*
33127 *Standards and criteria for local budgets and expenditures*
33128 *Standards and criteria; inclusions*
33129 *Standards and criteria; use by local agencies*
35035 *Powers and duties of superintendent*
41010-41023 *Accounting system*
41326 *Emergency apportionment*
41344 *Repayment of apportionment significant audit exceptions*
41344.1 *Appeals of audit findings*
41455 *Examination of financial problems of local districts*
42100-42105 *Requirement to prepare and file annual statement*
42127.6 *School district operations monitoring; financial obligation nonpayment*
42130-42134 *Financial reports and certifications*
42140-42142 *Public disclosure of fiscal obligations*
48300-48316 *Student attendance alternatives*

GOVERNMENT CODE

3540.2 *School district; qualified or negative certification; proposed agreement review and comment*
16429.1 *Local agency investment fund*

53646 *Reports of investment policy and compliance*

CODE OF REGULATIONS, TITLE 5

15070 *Submission of reports using standardized account code structure*
15453-15463 *Criteria and standards for school district interim reports*
19810-19816.1 *Audits*

Management Resources: (see next page)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Fiscal Accountability, 2005

CDE COMMUNICATIONS

1208.00 Audit Resolution Process: Repayment Plans

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS

Statement 34, Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments, June 1999

Statement 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, June 2004

Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, March 2009

U.S. GENERAL ACCOUNTING OFFICE AND PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY (PCIE) PUBLICATIONS

Financial Audit Manual, revised 2003

STATE CONTROLLER PUBLICATIONS

Standards and Procedures for Audits of California K-12 Local Educational Agencies (annual publication)

WEB SITES

CSBA: <http://www.csba.org>

California Association of School Business Officials: <http://www.casbo.org>

California County Superintendents Educational Services Association: <http://www.ccsesa.org>

California Department of Education, Finance and Grants: <http://www.cde.ca.gov/fg>

Education Audit Appeals Panel: <http://www.eaap.ca.gov>

Fiscal Crisis and Management Assistance Team: <http://www.fcmat.org>

Governmental Accounting Standards Board: <http://www.gasb.org>

School Services of California: <http://www.sscal.com>

State Controller's Office: <http://www.sco.ca.gov>

U.S. Government Accounting Office: <http://www.gao.gov>