

FINANCIAL AND ADMINISTRATIVE SERVICES



School Audit Requirements

October 14, 2014

Missouri Department of Elementary
and Secondary Education

Audit RSMo & Administrative Rule

2

- Statutory requirement for audits found in Section 165.121, RSMo.
- DESE's Administrative Rule governing audits is 5 CSR 30-4.030.
- Full text of the rule can be found on the Secretary of State website at

<http://www.sos.mo.gov/adrules/csr/current/5csr/5c30-4.pdf>



Audit Requirements

3

- An audit is required for all districts and charters annually.
- The audit must be an independent audit contracted by the local Board of Education.
- Audit services should be bid in accordance with Board policy. No statewide procurement requirement.



Audit Requirements cont.

4

- The firm selected to perform the audit must hold a current permit to practice in Missouri and meet all requirements for CPE and peer review, including any subcontractors.
- Local Board is responsible for accuracy of financial statement and note disclosures, and assertions related to compliance with federal and state laws and regulations.



Audit Requirements cont.

5

- Funds that must be included in the audit:
 - General
 - Special Revenue
 - Debt Service
 - Capital Projects
 - Fiduciary Funds
 - Proprietary Funds
 - Component units



Audit Requirements cont.

6

- Financial statements may be prepared on accrual basis or OCBOA.
- Every audit should have at least 3 reports from the auditor:
 - Independent Auditor's Report on the financial statements
 - Report on Internal Control Over Financial Reporting and On Compliance and Other Matters
 - Report on Compliance with Missouri Laws and Regulations



Audit Requirements cont.

7

- Other information that should be included:
 - Management's Discussion and Analysis
 - Schedule of Selected Statistics



Single Audit Requirements

8

- A Single Audit may be required if expenditures of federal funds exceed \$500,000.
- The firm selected to perform the Single Audit cannot be suspended or debarred by the Federal Government. To determine the firm's status, look them up at:

<https://www.sam.gov/index.html/#1>



Suspension & Debarment Verification

9

The screenshot shows the SAM website's login and navigation area. At the top left is the SAM logo with the text 'SYSTEM FOR AWARD MANAGEMENT'. To the right are input fields for 'USER NAME' and 'PASSWORD', a 'LOG IN' button, and links for 'Forgot Username?' and 'Forgot Password?'. A 'Create an Account' link is located at the bottom right of the login section. Below this is a dark blue navigation bar with links for 'HOME', 'SEARCH RECORDS', 'DATA ACCESS', 'GENERAL INFO', and 'HELP'. The main content area is divided into three columns:

- CREATE USER ACCOUNT:** Text explains that CCR usernames do not work in SAM and that a new SAM User Account is needed for registration, updates, or FOIU searches. A 'Create User Account' button is at the bottom.
- REGISTER/UPDATE ENTITY:** Text states that users must first create a user account before registering or updating their entity. A 'Register/Update Entity' button is present, along with a 'New!' badge and a 'Check Status' button for the SAM Status Tracker.
- SEARCH RECORDS:** Text describes the search capabilities for CCR/FedReg and ORCA records, as well as EPLS exclusion records. A 'Search Records' button is highlighted in yellow.



Single Audit Requirements cont.

10

- Additional information included in the Single Audit:
 - SEFA Schedule
 - Independent Auditor's Report on Compliance with Federal Requirements
 - Schedule of Finding and Questioned Costs



Single Audit Requirements cont.

11

- DESE is required to follow up on any audit findings related to a federal program.
- DESE may request additional documentation during the resolution process.



Audit Submission

12

- Complete audit must be submitted to DESE via Tiered Monitoring system by December 31.
- Failure to submit the audit by December 31 could result in state aid payments being held until the audit is received.
- Audit needs to be submitted to DESE as a .PDF file.
- A summary of the financial statements must be published within 30 days of receipt of the report.



Audit Submission cont.

13

- Board minutes approving the audit and any management letter received from the auditor must also be submitted as a .PDF file.
- The minutes and letter may be submitted after the December 31 deadline. **NOT THE AUDIT**
- Before submitting the audit documents, review the guidelines in September 2014 Finance Memo to ensure audit is complete.



New Audit Submission Method

14

- All audit documents are required to be uploaded via the Tiered Monitoring System

DESE View Only

Tiered Monitoring - LEA Home

Desk Monitoring

There are no Desk Monitorings to display.

Pending On-Site Monitorings

Listed below are the on-site monitorings that are scheduled for your agency. Please be aware that the DESE will be contacting your agency to conduct these monitorings via phone or an on-site visit. If they require and documentation from you, it will be listed below. After the On-Site Monitoring has completed, if any Corrective Action is necessary, a CAP will be generated and appear under the "Desk Monitoring" section above.

There are no pending On-Site monitorings.

Financial Audit

Fiscal year 2013-2014 audit document is now due by December 31. Please upload.

Utilities

- Calendar view
- Global document repository (uploads)
- Maintain user security



New Audit Submission Method

15

Global Document Repository

Missing Required Uploads:

- **Audit Documents (due December 31)**
 - Financial statement audit report for the
 - Board minutes approving the audit. (s
 - Management letter from the auditor, if
- **No Child Left Behind Self-Monitoring Ch**
 - **December Cycle - General Provisio**
 - Nonpublic Compliant Procedures
 - Nonpublic students' low income
 - Nonpublic student academic elig
 - Nonpublic parental involvement
 - Nonpublic School Parent Compa
 - Documentation of nonpublic acti
 - Nonpublic Title I teacher certific
 - Professional development for Nc
 - **December Cycle - Title I.A: Improv**
 - Title I.A LEA Plan meeting agenc
 - Schoolwide Plan annual evaluati
 - Evidence that demonstrates low matches the data on Step 1 of t documentation of measurement
 - Evidence that demonstrates the Neglected School Child Form, Ti
 - Copy of letter(s) notifying paren taught, or has been taught for fi
 - Parent Involvement School Plan
 - Correspondence to parents, flyers, etc regarding the parent involvement plan [Doc. Title I.A - 6]

File Upload

Document Type:

Do you want to paste a link to an external file?

File:

File Description:

Fiscal Year:

Auditor First Name:

Auditor Last Name:

Auditor Email:

Auditor Address1:

Auditor Address2:

Auditor City:

Auditor State:

Auditor Zip:

Auditor Phone:

New Audits Webpage

16

<http://dese.mo.gov/financial-admin-services/school-audits>

School Audits

[Home](#) » [Financial & Admin. Services](#)

All Missouri school districts, including charter schools, are required to be audited annually and to submit a copy of the audit report to the Department of Elementary and Secondary Education. In addition, districts/charter schools that expend more than \$500,000 of federal funds during the fiscal year must have a Single Audit.

- [Audit Requirements](#) 
- [Schedule of Selected Statistics](#) 
- [Schedule of Selected Statistics - Supplementary Information](#) 

Beginning with the 2013-2014 school year, DESE is implementing the district's annual audit review via the Tiered Monitoring System. This system will automate several manual processes and provide a systematic, interactive approach to resolve audit findings.

Use of the Tiered Monitoring System is mandatory beginning with the 2013-2014 school year audit documents. The audit submission deadline of December 31 has not been affected by the implementation of the new process.

- [Documentation Upload Instructions](#) 
- [User Access Guide](#) 



Contact Us

Toni Wade, Accounting Audit Analyst

Accounting & Procurement

Toni.Wade@dese.mo.gov

573-751-9437

