

Audit Requirements

State Requirements

All Missouri school districts, including charter schools, are required to be audited pursuant to Section 165.121, RSMo and to submit a copy of the audit to the Department of Elementary and Secondary Education. Detailed requirements for the audit are provided in the Missouri Code of State Regulations, 5 CSR 30-4.030 (the Department's audit rule). Among other things, the rule clarifies that:

- The scope of the audit includes districts' General, Special Revenue, Debt Service, and Capital Projects funds, any fiduciary or proprietary funds, and component units.
- The audit must be performed by an independent auditor who holds a current permit to practice public accounting in the state of Missouri from the State Board of Accountancy.
- Charter school audits must be single entity reports based upon a July 1 to June 30 fiscal year.
- Districts that cease operations are not exempt from the audit requirement.

A copy of the Departments' audit rule can be found at <http://www.sos.mo.gov/adrules/csr/current/5csr/5c30-4.pdf>.

Federal Requirements

In addition to the state requirements, districts/charter schools that expend more than \$500,000 of federal funds during the fiscal year must have a Single Audit. With a Single Audit, the district's auditor is required to perform additional audit procedures for federal funds in accordance with the Single Audit Act (Office of Management and Budget Circular A-133).

Auditors performing Single Audits must comply with the federal debarment and suspension regulations in 7 CFR Part 3017.510(b). Pursuant to 7 CFR Part 3017.110 (c) (2), auditors that have been suspended or debarred from doing business with the federal government are prohibited from performing Single Audits. Districts may determine whether an auditor is suspended or debarred by accessing the website www.epls.gov and searching for the name of the auditor.

Submitting the Audit to the Department

- The annual deadline for submission of the audit is December 31. The submission must include the district's Single Audit, if applicable. The Department may withhold payments from districts whose audits are not submitted by the deadline until the audit is received.
- Copies of board minutes documenting approval of the audit and, if applicable, management letters issued by the auditor must also be submitted to the Department. These documents may be submitted after the December 31 deadline but must include all required signatures.
- Audits, board minutes, and management letters must be submitted electronically via tiered monitoring system via Web Applications. File descriptions in the system should be descriptive of the document (i.e. FY14 Audit Report or FY14 BoardMinutes).
- The school district/charter school, not the auditor, is responsible for ensuring the audit, board minutes, and management letter are submitted by the deadline and comply with the audit rule.

Submitting the Single Audit to the Federal Audit Clearinghouse

- Districts/charter schools that have a Single Audit are required to submit a data collection form and reporting package to the Federal Audit Clearinghouse at the U. S. Bureau of Census within the earlier of 30 days from the receipt of the audit report or nine months after the end of the audit period (March 31 of the subsequent fiscal year). The reporting package consists of the complete audit (financial statements and auditor's reports) and, as necessary, a summary schedule of prior audit findings and a corrective action plan for current year audit findings. Reports should be submitted to: <http://harvester.census.gov/fac/collect/ddeindex.html> .
- Districts/charter schools that expend less than \$500,000 in total federal funds are not required to send a copy of the audit report to the Federal Audit Clearinghouse.
- A copy of the reporting package should also be sent to pass-through entities, including the Department, if the Schedule of Findings and Questioned Costs includes audit findings or a summary schedule of prior audit findings relating to federal awards provided by the pass-through entity.
- More information regarding the federal audit report filing requirements can be located at <http://harvester.census.gov/sac/FAQ.html> .

Making the Audit Public

The district/charter school's audit is public information. In addition, Section 165.121.5(3), RSMo requires the district/charter school to prepare a summary of the audit report and make it public. The following items should be included in the summary:

- Fund balances and receipts and disbursements by major classifications
- Scope of the audit examination
- Auditor's opinion on the financial statements
- Location where the audit report is available for inspection and examination

Within 30 days of the receipt of the report, the summary must be published once in a newspaper within the county in which all or a part of the district/charter school is located which has general circulation within the district/charter school or, if there is none, the summary must be posted in at least five public places within the district/charter school.