

Article VI.B.5 Audit Committee and Internal Auditing

A. Statement of Purpose and Authority

This policy is established to provide for internal auditing responsibilities as overseen by the Audit Committee of the Board of Education of Granite School District (Board). The Audit Committee establishes an internal audit program that objectively evaluates the effectiveness of the District administration, governance, internal controls, and the efficacy of operations as defined in Utah Admin. Code R277-113.

B. Audit Committee

1. The Board shall designate three (3) Board members to serve on an audit committee (Committee).
2. Other members may be appointed to the Audit Committee, as necessary, but shall not include any administrators or employees of Granite School District (District).
3. Members of the Audit Committee shall serve without compensation.

C. Duties and Responsibilities

1. The Audit Committee shall:
 - a. ensure the District obtains all audits, agreed-upon procedures, engagements, and financial reports required by Utah Code §51-2a-201;
 - b. provide an independent forum for an internal auditor, internal audit contractors, and other regulatory bodies to report findings of fraud, waste, abuse, non-compliance, or control weaknesses;
 - c. ensure that corrective action on findings, concerns, issues and exceptions reported by independent external auditors, internal auditors, or other regulatory bodies are resolved in a timely manner by District administration;
 - d. present, as appropriate, information and reports from the audit committee's meetings to the Board; and
 - e. receive, as appropriate, reports of reviews, monitoring, or investigations conducted by District administration and ensure appropriate corrective action is taken in a timely manner.
2. With regards to engagements completed by an independent external auditor, the Audit Committee shall:
 - a. manage the audit procurement and quality process in compliance with state laws and regulations;
 - b. ensure that the independent auditor has access to directly communicate with the audit committee;
 - c. review disagreements between independent auditor and District administration;
 - d. consider District responses to audits or agreed-upon procedures; and

- e. determine the scope and objectives of other non-audit services, as necessary.
3. The Audit Committee shall establish an internal audit program that provides internal audit services for the programs administered by the District, and shall:
- a. advise the Board in the appointment of an internal auditor;
 - b. conduct or advise the Board in an annual evaluation of the internal auditor;
 - c. maintain an internal audit plan and prioritize the internal audit plan based on risk;
 - d. receive regular updates on the internal audit plan and internal audit project progress; and
 - e. receive final internal audit reports from the internal auditor or contractors providing internal audit services.
4. The Audit Committee shall review all internal and external audit reports and determine whether:
- a. schools and District departments are in compliance with applicable statutes, regulations, and Board policies;
 - b. generally accepted accounting practices are in effect;
 - c. public funds are managed according to a sound system of internal controls;
 - d. administrators review financial information, financial statements, and records on a regular basis;
 - e. the District adheres to purchasing requirements selecting external audit services; and
 - f. appropriate recommendations in audit reports are implemented.
5. The Audit Committee shall maintain a system for managing reports of fraud, waste, or abuse, whether reports are made through the District hotline or whether the District receives a referral from the Utah State Board of Education (USBE) Internal Audit Department (IAD) in compliance with Utah Admin. Code R277-123. The Audit Committee shall ensure the District:
- a. makes good faith efforts to promptly contact complainants if contact information is available;
 - b. pursues appropriate investigations consistent with due process, District policy, and the law;
 - c. maintains confidentiality in accordance with student and employee privacy policies; and
 - e. maintains documentation of compliance with this section.
6. The Board president shall ensure that the members of the Board and audit committee are provided with training as outlined in Utah Admin. Code R277-113-4.

REFERENCES

Utah Code §51-2a-201 et seq. Account Reports Required

Utah Code §53G-7-401 et seq. Internal Audits

Utah Admin. Code R277-113 LEA Fiscal and Auditing Policies