

# POLICY

## BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

**Related Entries: Policies 404.02 and 404.03**  
**Responsible Office: OFFICE OF FINANCE**

### ANNUAL AUDIT

#### A. PURPOSE

To establish policy for an annual audit of the Anne Arundel County Public Schools financial transactions and accounts.

#### B. ISSUE

State law and sound financial practices require an annual audit of the Anne Arundel County Public Schools financial affairs.

#### C. POSITION

Maryland Education law provides that:

1. The Board of Education will conduct an annual audit of its financial statements each fiscal year.
2. Each audit will be conducted by an independent certified public accountant, a partnership, or corporation of certified public accountants who are:
  - a. licensed by the State Board of Public Accountancy; and
  - b. approved by the State Superintendent.
3. The results of the audit will be a matter of public record.
4. The results will be reported to the State Superintendent and the county fiscal authority within three months after the close of the Board's fiscal year.
5. All results will be reported in the manner required by the Maryland State Board of Education.
6. The Anne Arundel County Council may conduct an additional financial audit using auditors employed by the county.

#### D. IMPLEMENTATION

1. The Board will engage a certified public accountant each fiscal year to audit all

funds of the Board and review the audit programs and procedures used by the internal auditors of the Board in the examination of the school activity funds and Board operations and programs. The firm will be selected and approved in accordance with purchasing procedures.

2. The auditor will conduct the audit in accordance with generally accepted auditing standards and guidelines adopted by the Maryland State Department of Education such as:
  - a. audits of state and local governmental units;
  - b. government auditing standards; and
  - c. annual audit of financial statement and federal assistance programs.

*Policy History:* Adopted 2/6/08.

*Note previous policy history:* Replaces Policy 404.02, adopted 8/29/58, revised 11/20/89.  
Replaces Policy 404.03, adopted 2/14/79, revised 12/2/92.