

# POLICY

## BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

**Related Entries:** N/A

**Responsible Office:** OFFICE OF FINANCE

### ANNUAL AUDIT

#### A. PURPOSE

To establish a 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

State law provides that:

1. The Board of Education of Anne Arundel County (Board) shall conduct an annual audit of its financial statements each fiscal year.
2. Each audit shall 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 shall be a matter of public record.
4. The results shall be reported to the State Superintendent and the county fiscal authority within 3 months after the close of the Board's fiscal year.
5. All results shall 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 shall 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 shall be selected and approved in accordance with purchasing procedures.
2. The auditor shall 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 on 02/06/08; Technical Edit 04/01/25

***Note Previous Policy History:*** Replaces Policy 404.02, adopted 08/29/58 and revised 11/20/89; Replaces Policy 404.03, adopted 02/14/79 and revised 12/02/92

***Legal Reference:*** Section 5-109 of the Education Article