



**Responsible Office:** Office of the Superintendent

## **BOARD POLICY 9400**

### **FINANCIAL AUDITING OF THE SCHOOL DISTRICT**

#### **PURPOSE**

The Board of Trustees (Board), as the governing body of the Washoe County School District (District or WCSD), is committed to its role of responsible financial stewardship. Through the use of financial audit, the District shall ensure objective, independent examinations of the District's financial statements to provide reasonable assurance that the financial statements present fairly the financial position of the District.

#### **DEFINITIONS**

1. "Generally Accepted Accounting Principles (GAAP)" refers to the standard framework of guidelines for financial accounting. These accounting standards include rules that accountants follow in recording and summarizing and in the preparation of financial statements.
2. "Audit" is defined in state law (NRS 354.486) as "the examination and analysis of financial statements, accounting procedures and other evidence made in conformity with generally accepted auditing standards in the United States for one or more of the following purposes:
  - a. Determining the propriety and mathematical accuracy of material financial transactions;
  - b. Ascertaining whether financial transactions have been properly recorded;
  - c. Ascertaining whether the financial statements prepared from the accounting records fairly present in all material respects the financial position and the results of financial operations and cash flows of the governmental unit in accordance with generally accepted accounting principles in the United States and on a basis, which is consistent with that of the preceding year;
  - d. Evaluating internal accounting controls over financial reporting of the handling of the public money and public property;
  - e. Determining whether the fiscal controls established by law and administrative regulations are being properly applied;
  - f. Determining whether there is any evidence that fraud or dishonesty has occurred in the handling of funds or property;

- g. Determining whether the acquisition, depreciation and disposition of property and equipment are accounted for in accordance with generally accepted accounting principles in the United States; and
- h. Determining whether the removal of the uncollectible accounts receivable from the records of a governmental unit is done in accordance with the procedure established by law and administrative regulations.

## **POLICY**

1. The Superintendent, through the Office of Business and Financial Services, shall present the Board on an annual basis with a broad, comprehensive report of the District's financial position and activities.
2. The annual financial audit shall:
  - a. Comply with the laws of the State of Nevada;
  - b. Be conducted by an independent certified public accountant; and
  - c. Cover the business of the District during the full fiscal year and include findings of compliance with statutes and regulations and an expression of opinion on the financial statements.
3. The Board shall act upon the report of the audit by taking action to accept the report as presented, to accept the report with recommendations for modifications, or to reject the recommendations for reasons reflected in the meeting minutes.

## **LEGAL REQUIREMENTS AND ASSOCIATED DOCUMENTS**

1. This policy reflects the goals of the District's Strategic Plan and aligns/complies with the governing documents of the District, to include:
  - a. Board Policy 3410, System of Accounts
  - b. Board Policy 9170, Internal Audit Department
2. This policy complies with Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC) to include:
  - a. Chapter 354, Local Financial Administration, and specifically:
    - i. NRS 354.624, Annual audit: Requirements; designation of auditor; scope and disposition; dissemination; prohibited provision in contract with auditor
    - ii. NRS 354.6241, Contents of statement to auditor; expenditure of excess reserves in certain funds

**REVISION HISTORY**

Date	Revision	Modification
4/8/2008	1.0	Adopted
8/22/2017	2.0	Revised: to align with state law; number change from 9013
1/12/2021	3.0	Revised for consistency to Board Policy 9070 and to make changes for clarity