
AGENDA ITEM: Compliance Matters – Annual Financial Single Audits

Issue

The charter holders listed on the agenda have failed to submit their fiscal year 2009 annual financial single audits and compliance questionnaires, which were due to the Board on or before March 31, 2010.

Annual Financial Single Audit Background

[A.R.S. §15-183.E.6](#) and [A.R.S. §15-914](#) require charter schools to annually submit a financial statement audit and compliance questionnaire. Schools that expend over \$500,000 in federal funds are required to submit a single audit to meet this requirement. The single audit and questionnaire for the fiscal year ending June 30, 2009 were due on or before March 31st.

Board Options

1. The Board may direct staff to monitor the charter holders' progress in submitting their fiscal year 2009 annual financial single audits and provide additional updates as they become available.
2. The Board may find the charter holders are in noncompliance for their failure to timely submit the annual financial single audit and compliance questionnaire and approve withholding 10% of each charter holder's monthly State aid apportionment until the fiscal year 2009 annual financial single audit and compliance questionnaire is submitted as required by A.R.S. §15-183.E.6 and A.R.S. §15-914.
3. The Board may vote to issue a Notice of Intent to Revoke the charter contract of each charter holder for failure to timely submit the fiscal year 2009 annual financial single audit and compliance questionnaire as required by A.R.S. §15-183.E.6, A.R.S. §15-914, and their charter contracts. The motion should also require that:
 - Within 48 hours of receipt of the Notice the charter operator shall notify staff and parents/guardians of registered students of the Notice of Intent to Revoke and the Notice of Hearing and provide a school location where the copy may be reviewed;
 - Within 20 days of receipt of the Notice the charter operator shall provide copies of all correspondence and communications used to comply with the preceding provision; and
 - Within 20 days of receipt of the Notice the charter operator shall provide the Board with the names and mailing addresses of parents/guardians of all students registered with the school.

Staff's Recommendation

Staff's recommendation is Option #2.