
AGENDA ITEM: Fiscal Year 2013 Audit Documents

Background

[Arizona Administrative Code R7-5-501](#) requires that by July 1st of each year, the Board make available to the public written audit guidelines that provide general guidance on charter school audit requirements, including the deadline for submitting the completed audit to the Board and information that must be included for the audit to be deemed complete. Pursuant to Board rule, the fiscal year 2013 audit documents must be released by July 1, 2013. The audit documents include the audit guidelines, Legal Compliance Questionnaire, Uniform System of Financial Records for Charter Schools (USFRCS) Compliance Questionnaire, and Procurement Compliance Questionnaire.

Proposed Changes to Audit Documents

Audit Guidelines

In addition to clarifying and technical changes, the proposed fiscal year 2013 [audit guidelines](#) have been updated, so that the Arizona Department of Education's copies of the charter school audits are provided to Grants Management instead of the Audit Unit.

Compliance Questionnaires – Definitions

During a recent meeting with charter school audit firms, Board staff determined that including definitions for the terms "Governing Body" and "Governing Board" in the Board's compliance questionnaires would be beneficial. Therefore, these two terms have been defined in the proposed fiscal year 2013 compliance questionnaires. The compliance questionnaires also include related technical revisions.

Legal Compliance Questionnaire

Aside from the revisions related to the "Compliance Questionnaires – Definitions" section above, the changes proposed by staff to the fiscal year 2013 [Legal Compliance Questionnaire](#) either involve updates to reflect current statutory requirements or are generally technical in nature.

[A.R.S. §15-914.G](#) gives the Office of the Auditor General (OAG) the responsibility to establish a method to audit average daily membership. For fiscal year 2013, the revisions made by the OAG and the ADE are technical in nature and include clarifying changes and revisions to reflect recent statutory changes. The Board has typically incorporated the OAG changes into its questionnaires.

USFRCS Compliance Questionnaire

Aside from the revisions related to the "Compliance Questionnaires – Definitions" section above, the proposed fiscal year 2013 [USFRCS Compliance Questionnaire](#) incorporates the changes to the Legal Compliance Questionnaire. The other proposed changes, including those in the Budgets section, either involve revisions to reflect current statutory requirements or are generally technical in nature.

Procurement Compliance Questionnaire

[A.R.S. §15-213.F](#) gives the OAG the responsibility to establish a method to audit schools' compliance with procurement practices. The recommended fiscal year 2013 revisions to the [Procurement Compliance Questionnaire](#) are technical in nature and include clarifying changes. The proposed revisions not related to the changes addressed in the "Compliance Questionnaires – Definitions" section above will update the Board's questionnaire to match the OAG's current guidelines. The Board typically has incorporated OAG changes into its questionnaire.

Board Options

Option 1: I move to approve the fiscal year 2013 audit guidelines, Legal Compliance Questionnaire, USFPCS Compliance Questionnaire, and Procurement Compliance Questionnaire as presented.

Option 2: I move to approve the fiscal year 2013 audit guidelines, Legal Compliance Questionnaire, USFPCS Compliance Questionnaire, and Procurement Compliance Questionnaire as presented with the inclusion of the modifications discussed (may require specific reference depending upon whether clarification of discussion is needed).