AUDITS

A. The Superintendent and the Assistant Superintendent of Finance will ensure that the district is prepared for random audits.

B. Beginning July 1, 2006, the District may be subject to a random audit, for the immediately preceding school fiscal year, of the matters described by statute to be conducted by an independent auditor under the direction of and compensated by the Michigan Department of Treasury. An audit conducted under this section shall be based in part on an examination of the District’s accounts, financial records, and accounting procedures and shall address at least three (3) of the following aspects of the intermediate school district’s operations, as directed by the Department of Treasury:

1. Whether Board members, District administrators, and District employees are adhering to ethics policies adopted by the Intermediate School Board or required by State law.

2. Whether Board members, District administrators, and District employees are adhering to conflict of interest policies adopted by the School Board or required by State law. This includes, but is not limited to, policies and practices with regard to contracts in which the School Board member, an administrator, or a District employee who is involved in the contracting process, or a family member of a School Board member, a District administrator, or a District employee who is involved in the contracting process, has a substantial conflict of interest; and policies and practices with regard to the School District administrator negotiating, handling, presenting, or recommending a contract in which the administrator or a family member of the administrator has a substantial conflict of interest as defined by Board policy or State law.

3. Whether a modification to an existing contract was made during the audit period that resulted in an additional financial obligation to the District and the modification was not competitively bid in accordance with Board policy or as defined by State law.

4. Whether the Intermediate School District’s policies and practices for responding to requests received under the Freedom of Information Act, and the Intermediate School District’s actual responses to requests made during the audit period under that act, were in compliance with that act. This part of the audit shall include, but is not limited to, an examination of whether the costs charged for responding to requests exceeded the costs permitted under that act.
5. Whether Board members, District administrators, and District employees are adhering to travel guidelines and practices adopted by the Intermediate School Board or required by State law.

6. Whether the Intermediate School District has accurately accounted for and reported all information relating to stipends, salaries, benefits, or other compensation paid to District administrators.

7. Whether the Intermediate School District has used public funds in violation of law to pay for food, gifts, or other items that are not used for instructional purposes, as defined by the Intermediate School Board.

8. Whether proceeds from a tax levied for area vocational-technical education operating purposes or from a tax levied for special education operating purposes have been expended for a purpose other than the purpose for which the tax was levied.

LEGAL CITATION: M.C.L.A. 380.622, 380.622a

ADMINISTRATIVE REGULATION

Approved: June 21, 2016