

The accounts of the school system and the individual schools will be audited as soon as possible after the close of each fiscal year by an independent, qualified auditor. The auditor will be selected by the board, and the terms and conditions will be specified in a written contract. The auditor will report directly to the board.

The superintendent shall assist the board in providing for an annual independent audit that meets all requirements as provided by G.S. 115C-447 and any other relevant statute. All employees and agents of the school system having custody of public money or responsibility for keeping records of public financial or fiscal affairs shall produce all books and records requested by the auditor and provide any information relating to fiscal affairs requested by the auditor. Any employee who fails to cooperate may be subject to disciplinary action, up to and including dismissal, and also may be found guilty of criminal conduct.

The following procedures shall be used to select and contract with a certified public accountant(s) or an accountant certified by the Local Government Commission for the purpose of performing an examination and audit of the accounts of the Board of Education.

1. The Board of Education, at a regularly scheduled meeting or a special called meeting, shall specify a certified public accountant(s) or an accountant certified by the Local Government Commission to negotiate the terms of a contract to audit the accounts of the Board for the next fiscal year as provided in this policy.
2. The Superintendent and School Finance Officer are authorized to negotiate a contract with the individual(s) specified by the Board. Such negotiations shall include the terms and requirements of the audit contract as specified in G.S. 115C-447 and any other terms deemed necessary by the Superintendent and School Finance Officer that are not in conflict with G.S. 115C-447 or any other statute. The Superintendent and School Finance Officer are further authorized to negotiate the maximum billable hours and hourly rates for professional and non-professional personnel of the named individual(s) and the maximum fee for the audit contract.
3. The Superintendent shall present the terms, agreed fee of the negotiated contract, and a recommendation to the Board as to the award of the contract.
4. The Board, at its discretion, may award the contract to audit the accounts of the Board based on the negotiated contract and the recommendation of the Superintendent.
5. If the Board has awarded the contract to audit the accounts of the Board, the Board may enter into an extended contract with the same individual(s) for a period of not less than two (2) years which can be extended for two additional terms not to exceed six years. The terms and fees for the contract for each year shall be negotiated as provided. If at any time in the extended contract period the Board chooses not to

accept the terms or fee of a contract, then the Board has the right to cancel the extended contract.

Legal References: G.S. 115C-447

Cross References: Professional Employees: Demotion and Dismissal (policy 7930), Classified Personnel: Suspension and Dismissal (policy 7940)

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