

Business and Non-Instructional Operations

Management of District Assets/Accounts

Accounting Systems

General and budgetary accounting is prescribed by the Education Code and must be in accordance with the California State Department of Education Accounting Manual. (E.C. 41010)

The Superintendent or designee shall provide ongoing internal accounting controls and a means for the accounting of income and expenditures as outlined in the adopted budget.

Audits

All accounts shall be audited annually as prescribed by the Education Code. The audit examination shall be conducted in accordance with the requirements of the State Controller. (E.C. 41020) (cf. 3452 - Student Activity Funds)

By April 1 of each year, the Board shall provide for an audit of all District funds, any other funds which are administered pursuant to a joint powers agreement, and attendance procedures. To conduct the audit, the Board shall select a certified public accountant or public accountant licensed by the State Board of Accountancy.

The audit shall identify all expenditures by source of funds and shall contain the following:

1. A statement that the audit was conducted pursuant to standards and procedures established in the audit guides developed by the State Controller.
2. A summary of audit exceptions and management recommendations.

The Superintendent or designee shall establish a timetable for the completion and review of the audit within deadlines established by law.

The Superintendent or designee shall file the report of the audit with the County Superintendent of Schools, the Department of Education and the State Controller no later than December 15. (E.C. 41020)

Encumbering

To have a clear picture of the District's financial condition readily available and as current as possible, the Superintendent or designee shall see that funds are encumbered in the District accounting records immediately after expenditure is committed for subsequent payment.

Encumbering shall begin July 1 of each year with the amounts established in the District's preliminary budget. Appropriate adjustments shall be made when the final budget is adopted.

Obligation of Contract

The District's obligation of contract, with regard to financial transactions, shall commence when the Board takes action to formally adopt, approve, or enter into any financial transaction, or when the county treasurer enters into any financial transaction under authority specified by law or Board policy.

With the mutual consent of the Board or treasurer and the other party or parties to the financial transaction, a different time may be set for the commencement of the obligation. (Government Code 53997)

The Board shall not adopt any resolution which would be binding until the terms of the transaction are sufficiently definite.

Fraud Prevention and Investigation

The Board expects all employees, Board members, consultants, vendors, contractors and other parties maintaining a business relationship with the District to act with integrity and due diligence in duties involving the District's fiscal resources.

The Superintendent or designee shall be responsible for developing internal controls which aid in the prevention and detection of fraud, financial impropriety or irregularity within the District. Each member of the management team shall be alert for any indication of fraud, financial impropriety or irregularity within his/her area of responsibility.

An employee who suspects fraud, impropriety or irregularity shall immediately report those suspicions to his/her immediate supervisor and/or the Superintendent or designee. The Superintendent or designee shall have primary responsibility for any necessary investigations, in coordination with legal counsel and other internal or external departments and agencies as appropriate.

Legal Reference:

EDUCATION CODE

- 14500-14508 Financial and compliance audits
- 35035 Powers and duties of superintendent
- 35250 Duty to keep certain records and reports
- 41010-41023 Accounting regulations, budget controls and audits
- 42600-42604 Control of expenditures
- 42647 Drawing of warrants by District on county treasurer; form; reports, statements and other data

GOVERNMENT CODE

- 53995-53997 Obligation of contract