

## §2412-A. Audits

**1. External audit.** A public charter school shall adhere to generally accepted accounting principles and shall annually engage an external auditor to do an independent audit of the public charter school's finances. The public charter school shall submit the audit to its authorizer and to the department. The audit must include the following:

A. An accounting of all revenues and expenditures; [PL 2011, c. 570, §18 (NEW).]

B. A determination of whether proper budgetary controls are in place; [PL 2011, c. 570, §18 (NEW).]

C. A determination of whether the annual financial data submitted to the authorizer and to the department is correct; [PL 2011, c. 570, §18 (NEW).]

D. An audit of any federal programs in accordance with applicable federal law; and [PL 2011, c. 570, §18 (NEW).]

E. Any other information that the commissioner requires. [PL 2011, c. 570, §18 (NEW).]  
[PL 2011, c. 570, §18 (NEW).]

**2. Fiscal year.** The fiscal year of an audit is from July 1st to June 30th, except that audits of federal programs must conform to federal requirements.  
[PL 2011, c. 570, §18 (NEW).]

**3. Auditors.** Audits must be conducted by qualified certified public accountants or public accountants licensed by the Board of Accountancy.  
[PL 2011, c. 570, §18 (NEW).]

**4. Initial report to commissioner.** On or before November 1st, a public charter school shall provide the commissioner with:

A. A written determination of whether proper budgetary controls are in place; [PL 2011, c. 570, §18 (NEW).]

B. A written determination of whether the annual financial data submitted to the department is correct, including submission of an audited reconciliation of the annual financial data prepared and certified by the external auditor; and [PL 2011, c. 570, §18 (NEW).]

C. A written determination as to whether the public charter school has complied with applicable provisions of the Essential Programs and Services Funding Act. [PL 2011, c. 570, §18 (NEW).]  
[PL 2011, c. 570, §18 (NEW).]

**5. Records.** A public charter school shall keep financial records and accounts for 7 years after the end of the fiscal year and shall make them available to the external auditor and any other person upon request.  
[PL 2011, c. 570, §18 (NEW).]

**6. Report to commissioner.** Within 6 months after the end of an audit under subsection 1, a public charter school shall provide the commissioner with:

A. An audit report; [PL 2011, c. 570, §18 (NEW).]

B. An accounting of all revenues and expenditures; [PL 2011, c. 570, §18 (NEW).]

C. Written assurance that the audit has been conducted in accordance with applicable state and federal laws relating to financial and compliance audits; and [PL 2011, c. 570, §18 (NEW).]

D. Any other information that the commissioner requires. [PL 2011, c. 570, §18 (NEW).]  
[PL 2011, c. 570, §18 (NEW).]

**7. Corrective action plan.** The commissioner shall review the annual audit under subsection 1 of a public charter school and determine if the public charter school should develop a corrective action plan for any audit issues specified in the annual audit. A corrective action plan must address those audit findings and management comments and recommendations that have been identified by the commissioner, and the plan must be filed within the timeline established by the commissioner. The public charter school shall provide assurances to the commissioner that the public charter school has implemented its corrective action plan within the timeline established by the commissioner. If the public charter school has not met the conditions for filing a corrective action plan or providing assurances that the public charter school has implemented the plan, the commissioner may withhold monthly subsidy payments from the public charter school in accordance with section 6801-A. [PL 2011, c. 570, §18 (NEW).]

#### SECTION HISTORY

PL 2011, c. 570, §18 (NEW).

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