

R 5-13-2 Audits

The State Auditor's Chief Inspector Division ensures that financial accountability is present at the local level of government by conducting and overseeing audits of counties, municipalities, boards of education and other miscellaneous local boards and authorities. The Chief Inspector Division also stands ready to initiate necessary action when advised of inappropriate or illegal activity at the local government level.

Audits Conducted by the Chief Inspector's Office

State law requires that each school district undergo an annual review of its financial affairs the Chief Inspector or a person s/he has designated to perform the service. Such review shall be under the direction of the Chief Inspector Division.

When required for compliance with regulations for federal funds received or expended by county boards of education the Chief Inspector or his or her designee, including any certified public accountant approved by the Chief Inspector shall conduct and issue an audit report within the time specified in controlling federal regulations.

Audits Conducted by a Certified Public Accountant

The Board may elect, by the first day of May of the fiscal year to be audited, to have its annual examination performed by a certified public accountant approved by the Chief Inspector to perform the examinations. When this election is made, a copy of the order of the Board making the election shall be filed with the Chief Inspector and the State Board of School Finance. The Board is allowed to contract with any certified public accountant on the Chief Inspector's then current list of approved certified public accountants, unless the State Board of School Finance or the prosecuting attorney submits to the Chief Inspector a written request for the examination to be performed by the Chief Inspector or a person appointed by the Chief Inspector, or the Chief Inspector determines that a special or unusual situation exists. The Board shall follow the audit bid procurement procedures established by the Chief Inspector in obtaining the audit.

The CPA making the examination shall follow all of the prescribed procedures set forth by the Chief Inspector and the West Virginia Code. Upon completion of the review, the CPA shall prepare a report that includes the identification of procedures and practices found to be out of compliance with the requirements of the State Board, West Virginia Code, and the Chief Inspector Division procedures. Two copies of the certified report shall be sent to the Board and that body must file one copy with the federal audit clearinghouse. The Board shall take immediate steps to comply with the corrective instructions given in the report. The CPA is also required to send one copy of the certified report to the State Board of Education and one copy to the Chief Inspector.

If any examination discloses misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee, the certified public accountant shall submit his or her recommendation to the Chief Inspector regarding the legal action the approved certified public accountant considers appropriate, including, but not limited to, whether criminal prosecution or civil action to effect restitution is appropriate, and three additional copies of the certified audit report. After review of the recommendations and the audit report, the chief inspector shall proceed as provided in the Code.

Audits of School Accounts

In addition to the required school financial reports, all school accounts must be audited at least annually in the Finance office of the Preston County Board of Education. School accounts

shall be audited according to the prescribed procedures outlined in SBP 1224.1 *Accounting Procedures Manual for the Public Schools in the State of West Virginia*.

Access to Financial Records and Audit Reports

The State Board of Education, through the Department of Education, is also authorized to have full access to all books, records, papers and documents of the county board of education
(WVC §6-9-7; §18-9-3a and §18-9B-13)