

Title:	Financial Audits Policy	Related Policies:	All Financial Polices
Number:	2.3	Related Procedures:	
Status:	APPROVED	Adopted:	
Owner:	P. Holloway – Board Treasurer	Accounting:	
Last Revised:	11-21-09	Legal:	FCS COI, O.C.G.A., BoardSource
Policy Detail			

Purpose

Amana Academy is required, under statute, to have an annual audit of its financial statements conducted. The purpose of this policy is to

- Establish the process by which Amana Academy contracts for these audit services for a fixed term,
- Ensure that the services provided by the external auditors are relevant to the information and fiduciary needs of the board,
- Ensure that the school is receiving value for money in the delivery of audit services, and
- Ensure the independence of the auditors is maintained at the highest level, both in appearance and fact.

Scope

This policy shall apply to all matters relating to the financial and accounting affairs of Amana Academy, and to any services provided by the auditors.

Policy

The agreement for the provision of audit services is between the Amana Academy board and the selected audit firm. The board will decide on the firm to be selected, with recommendations from the Business/Finance Committee.

- An audit will be conducted annually and will include such matters as are standard as well as addressing other specific issues as requested by the board.
- The selection of an audit firm will be based on the fees quoted, the firm’s experience with schools, nonprofit organizations, and the ability of the firm to address any issues identified by the board.
- The recommendation with respect to the selection of an audit firm will be made by the Business/Finance Committee for approval by the board.
- The appointment of auditors will be confirmed annually by the board.
- Amana Academy’s auditors should not normally be engaged to perform any non–audit services unless an extraordinary circumstance exists, i.e., where a specific expertise is required that is not reasonably obtained from another vendor. In addition, the auditors shall not perform any substantial services for any board member or the Executive Director.
- The Business/Finance Committee shall review all non–audit services to be provided to Amana Academy by its independent auditor. With pre approval of the Business/Finance

Committee, the independent auditor may be engaged to perform non-audit services. The organization may not engage the independent auditor to perform the following non-audit services:

- Bookkeeping or other services related to the accounting records or financial statements of the school
- Financial information systems design and implementation
- Appraisal or valuation services
- Actuarial services
- Internal audit outsourcing services
- Management functions or human resources
- Broker or dealer, investment advisor, or investment banking services
- Legal services and expert services unrelated to the audit
- Any other service that the American Institute of Certified Public Accountants determines is inconsistent with the auditor's independence

The Board Treasurer is authorized to pre approve any audit-related or other non-audit services between Business/Finance Committee meetings. Such interim pre approvals shall be reviewed with the full committee at its next meeting for its ratification.

Monitoring

The Business/Finance Committee will review this policy annually, and report on its review to the board including any recommendations for changes to the policy.

Procedures

While the Executive Director of Amana Academy is involved in the selection process and is responsible for the management of the audit, the approval of an audit firm is the responsibility of the board.

- When deemed prudent, the ED will issue a Request for Proposal (RFP) from selected firms with substantial experience auditing nonprofit organizations for the provision of audit services. The RFP will include requests for information on services related to specific issues that the board wishes to address in the course of the audit.
- The RFP for provision of audit services will be issued to a minimum of three (3) firms eligible to provide audit services in the State of Georgia.
- The ED, in consultation with the Board Treasurer and Business Committee on behalf of the board, will select the audit firms to be included in the RFP.
- All proposals to engage the independent auditor to perform non-audit services shall be presented to, and approved by, the ED and Board Treasurer before the proposal is submitted to the Business Committee for its approval.
- Each non-audit service that is reviewed by the Business Committee shall be reflected in a written engagement letter or writing specifying the services to be performed and the cost of such services.