



Comptroller Audits of Public Schools

The Monroe County School Boards Association understands the value of audits. Audits are helpful and constructive when they are conducted in accordance with the law. Audits have affirmed the integrity of the stewardship provided by local school districts.

The Comptroller’s Office should use state funds to conduct audits only within its defined authority, and should adhere to objective, independent and professional conduct when reporting its findings. A pattern of Comptroller audit findings is emerging which the MCSBA finds disturbing.

<p>LAW:</p> <p>The Office of the State Comptroller should restrict its audits to the areas defined by law.</p>	<p>Many governmental groups monitor and require reports from school districts, including the State Education Department, the State Legislature, the Attorney General, the Comptroller, and the United States Department of Education.</p> <p>No one agency monitors these numerous requirements for effectiveness and duplication.</p> <p>The Office of the State Comptroller should not initiate audits in non-financial areas on the assumption that no other governance group has oversight.</p>
<p>EXPENSE:</p> <p>School districts are now audited in multiple ways every year at considerable expense to taxpayers.</p>	<p>All Board of Education members are required by law to complete fiscal oversight training, unlike any other elected officials.</p> <p>All Boards of Education must establish an Audit Committee to advise the Board of Education about fiscal matters.</p> <p>All Boards of Education must employ Internal Auditors to provide annual risk assessments.</p> <p>All Boards of Education must employ Internal Claims Auditors who certify all claims on warrants and report directly to their Boards.</p> <p>All districts must have an annual financial review by an External Auditor that is comprised of three separate audits: General Financial, Extra-Class, and Federal Compliance.</p> <p>The Comptroller is charged with the financial auditing of all school districts by 2010.</p> <p>Extraneous Comptroller Audits are expensive to taxpayers without producing significant information.</p>
<p>REPORTS:</p> <p>The first round of Comptroller audits is being completed, and very few incidents of fiscal misconduct have been discovered.</p>	<p>Audits often recommend additional policies or procedures but have found very few actual instances of misconduct or fraud.</p> <p>Criticism in audits often reveals legitimate differences of opinion over interpretations of State Education laws, the recommendations of the Governmental Accounting Standards Board (GASB) and the Generally Accepted Accounting Practices (GAAP), leaving district officials with ambiguous guidance.</p> <p>Audit reports should not include subjective judgmental language, nor should they base conclusions on previously unknown and/or unrecognized criteria.</p> <p>Audit reports should not use arbitrary criteria to critique school district management decisions.</p>

Just as public school districts are directed by law to focus attention on areas identified through risk assessments, public school audits by the NYS Comptroller should be limited to instances where risk assessment identifies actual need.