**§6051. School administrative units**

**1. Audit.**  A school board shall provide for an annual audit of the school administrative unit. The audit shall include the following:

A. Accountability of all revenues and expenditures; [PL 1985, c. 797, §36 (NEW).]

B. A determination of whether or not proper budgetary controls are in place; [PL 1985, c. 797, §36 (NEW).]

C. A determination of whether or not the annual financial data submitted to the department is correct; [PL 2007, c. 668, §31 (AMD).]

D. An audit of all federal programs in accordance with applicable federal law including a written determination that the audit has been conducted in accordance with applicable federal laws relating to financial and compliance audits as indicated in federal Office of Management and Budget circulars; [PL 2011, c. 678, Pt. A, §1 (AMD).]

E. A determination as to whether the school administrative unit has complied with applicable provisions of the Essential Programs and Services Funding Act; [PL 2009, c. 571, Pt. E, §9 (AMD).]

F. Any other information that the commissioner may require; [PL 2009, c. 571, Pt. E, §10 (AMD).]

G. A determination of whether the school administrative unit has complied with transfer limitations between budget cost centers pursuant to section 1485, subsection 4; [PL 2009, c. 571, Pt. E, §11 (NEW).]

H. A determination of whether the school administrative unit has complied with budget content requirements pursuant to section 15693, subsection 1 and cost center summary budget format requirements pursuant to sections 1305‑C, 1485, 1701‑C and 2307; [PL 2011, c. 678, Pt. A, §2 (AMD).]

I. A determination of whether the school administrative unit has exceeded its authority to expend funds, as provided by the total budget summary article; [PL 2013, c. 167, Pt. A, §3 (AMD).]

J. A determination of whether the school administrative unit has complied with the applicable provisions of the unexpended balances requirements established under section 15004; [PL 2017, c. 284, Pt. C, §9 (AMD); PL 2017, c. 284, Pt. JJJJJJJ, §1 (AMD).]

K. A schedule of expenditures of federal awards; [PL 2017, c. 475, Pt. A, §24 (AMD).]

L. Beginning July 1, 2017, a determination of whether the school administrative unit has complied with section 15675, subsection 2; and [PL 2017, c. 475, Pt. A, §25 (RPR).]

M. A determination of whether the school administrative unit has complied with applicable provisions of section 15690‑A. [PL 2017, c. 475, Pt. A, §26 (NEW).]

[PL 2017, c. 475, Pt. A, §§24-26 (AMD).]

**2. Fiscal year.**  The fiscal year of an audit shall be from July 1st to June 30th, except that audits of federal programs shall conform to federal requirements.

[PL 1985, c. 797, §36 (RPR).]

**3. Auditors.**  Audits must be conducted by qualified certified public accountants or public accountants registered by the Board of Accountancy. The auditor shall review the audit with the school board.

[PL 2011, c. 678, Pt. A, §5 (AMD).]

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

A. [PL 2001, c. 344, §8 (RP).]

B. [PL 2001, c. 344, §8 (RP).]

C. Written determination of whether or not proper budgetary controls are in place; [PL 2001, c. 344, §8 (NEW).]

D. A written determination of whether or not 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 auditor; and [PL 2007, c. 668, §32 (AMD).]

E. A written determination as to whether the school administrative unit has complied with applicable provisions of the Essential Programs and Services Funding Act. [PL 2005, c. 683, Pt. A, §25 (AMD).]

[PL 2007, c. 668, §32 (AMD).]

**5. Records.**  Financial records and accounts shall be kept for 7 years after the end of the fiscal year and shall be available to the auditors and any other upon request.

[PL 1985, c. 797, §36 (RPR).]

**6. Report to commissioner.**  Within 6 months after the end of the audit period, the school board shall provide the commissioner with:

A. A copy of the audit report; [PL 2001, c. 344, §9 (NEW).]

B. Accountability of all revenues and expenditures; [PL 2001, c. 344, §9 (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 2001, c. 344, §9 (NEW).]

D. Any other information that the commissioner may require. [PL 2001, c. 344, §9 (NEW).]

[PL 2007, c. 668, §33 (AMD).]

**7. Exception.**  If a municipal school administrative unit meets all of the following eligibility criteria, then the municipal school administrative unit may file the annual municipal audit or audits in lieu of the annual audit required by this section:

A. The municipal school administrative unit does not operate a school or schools; [PL 2009, c. 571, Pt. E, §14 (NEW).]

B. A school administrative unit audit is not necessary to meet federal audit requirements; and [PL 2011, c. 678, Pt. A, §6 (AMD).]

C. The municipal school administrative unit files the municipal audit or audits that include the fiscal year specified in subsection 2. [PL 2011, c. 678, Pt. A, §6 (AMD).]

D. [PL 2011, c. 678, Pt. A, §7 (RP).]

[PL 2011, c. 678, Pt. A, §§6, 7 (AMD).]

**8. Corrective action plan.**  The commissioner shall review the audits of the school administrative unit and determine if the school administrative unit should develop a corrective action plan for any audit issues specified in the annual audit. The 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 timelines established by the commissioner. The school administrative unit shall provide assurances to the commissioner that the school administrative unit has implemented its corrective action plan within the timelines established by the commissioner. If the school administrative unit has not met the conditions for submitting a corrective action plan or providing assurances that the school administrative unit has implemented the plan, the commissioner may withhold monthly subsidy payments from the school administrative unit in accordance with section 6801‑A.

[PL 2009, c. 571, Pt. E, §15 (NEW).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 1985, c. 797, §36 (RPR). RR 1993, c. 1, §45 (COR). PL 2001, c. 344, §§7-9 (AMD). PL 2005, c. 683, §§A24,25 (AMD). PL 2007, c. 668, §§31-33 (AMD). PL 2009, c. 571, Pt. E, §§9-15 (AMD). PL 2011, c. 678, Pt. A, §§1-7 (AMD). PL 2013, c. 167, Pt. A, §§3-5 (AMD). PL 2017, c. 284, Pt. C, §§9-11 (AMD). PL 2017, c. 284, Pt. JJJJJJJ, §§1-3 (AMD). PL 2017, c. 475, Pt. A, §§24-26 (AMD).

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