



# Poudre School District

MEMO TO: PSD Board of Education

FROM: PSD Audit Committee

DATE: December 14, 2021

SUBJECT: Audit Committee Annual Report and Member Recommendation for the 2021 Fiscal Year

The Audit Committee's roles and responsibilities are outlined in the Audit Committee Charter approved by the Board of Education. The committee's activities provide assistance to the Board of Education in fulfilling its oversight responsibility to the stakeholders relating to a) the financial statements and the financial reporting process; b) the system of internal controls; c) the risk management; d) the performance of internal and independent external auditors; and e) the compliance with legal and regulatory matters.

In compliance with the Audit Committee Charter, we confirm that:

- 1) We held 5 public meetings during the year.
- 2) We reviewed and evaluated the continued appropriateness of the Board-approved Audit Committee Charter;
- 3) We verified the independence of the Committee's voting members;
- 4) We provided and encouraged a forum for open communication between the external auditor, Board of Education, Superintendent, the Finance Department and the general public;
- 5) We discussed and approved the overall scope and the respective 2021 audit plans of CliftonLarsonAllen LLP, the independent external auditors appointed by the Board of Education.
- 6) On November 9, 2021, we reviewed and discussed the DRAFT Comprehensive Annual Financial Report (ACFR) for the year ended June 30, 2021 with the District's management and CliftonLarsonAllen LLP. Note that this review was performed in the following context:
  - \* That management has the primary responsibility for the financial statements and the reporting process; and
  - \* CliftonLarsonAllen LLP is responsible for expressing an opinion on the conformity of the District's financial statements with generally accepted accounting principles.

We have discussed the preliminary results of their audits and their assessment of the District's internal controls to the extent they found it necessary to test such controls as well as the overall quality of the financial reporting process. CliftonLarsonAllen provided non-audit tax consultation services for fiscal year 2020-21. We have reviewed the fees related to such services and have concluded that such services do not impair their independence.

We have discussed the need for the District to file for an extension of time to complete the fiscal year 2020-21 financial statement and single audits with the Office of the State Auditor. The extension is necessary due to a delay in regulatory audit guidance related to federal coronavirus pandemic relief and a delay in the finalization of Liberty Common School's audit. The final audit results will be presented to the Board of Education prior to submission to the Office of the State Auditor and Colorado Department of Education, which will be due on March 1, 2022.

- 7) We participated in the solicitation process for outsourcing the District's internal audit function.
  
- 8) We have discussed with management the internal controls surrounding the District's integrity and ethical values. The anonymous ethics and fraud hotline (whistleblower), initiated in 2009, was discussed with management and the limited activity surrounding this control was discussed.
  
- 9) Finally, we recommend that audit committee member, Mark Hartman serve another two-year term on the Audit Committee. The committee currently has two vacant seats. As of the November 9, 2021 audit committee meeting, no new applications for committee members have been received. We will continue to advertise openings until qualified applications are received.

Respectively submitted,

Poudre School District Audit Committee 2021  
Brian Richmond, Mark Hartman, and Lisa Kutcher; Community Members  
Carolyn Reed and Rob Petterson; Board of Education