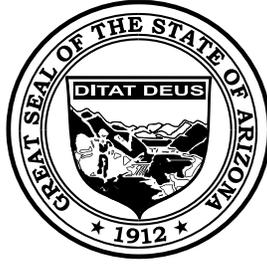


Arizona
Department of Education



[Click here for sample forms and USFR Compliance Questionnaire](#)

Office of the
Auditor General

USFR MEMORANDUM NO. 260

TO: School District Administrators; County School Superintendents

FROM: Laura Miller, Office of the Auditor General
Lyle Friesen, Arizona Department of Education

DATE: May 9, 2014

SUBJECT: School District Audit Package (Supersedes USFR Memorandum No. 257)

Arizona Revised Statutes (A.R.S.) requires most school districts to have an annual or biennial audit. As part of these audits, districts are also required to have the audit firm complete a Uniform System of Financial Records (USFR) Compliance Questionnaire. Districts should refer to the USFR, §VIII, Audit Requirements for specific information regarding the types of audits and when such audits are required.

To help districts comply with statutory requirements and *Arizona Administrative Code* requirements for procuring audit services, the school district audit package includes a sample request for proposals with instructions, a sample audit contract, and the USFR Compliance Questionnaire.

A.R.S. §§15-914(E) and 41-1279.21(A)(4) require audit contracts and the completed audit reports to be approved by the Auditor General. **The Office of the Auditor General prefers that proposed audit contracts and completed audit reports be submitted by e-mail to asd@azauditor.gov. Completed audit reports may be submitted to ADE by e-mail to grants@azed.gov.**

If the audit contract contains wording that gives the district an option to renew the contract for future years, the district must provide written notification to the audit firm of its intent to renew for each year the district exercises the option. The notification must provide the type of audit to be performed, the year(s) being renewed, and the related cost(s) as stated in the audit firm's original proposal. **A copy of the renewal notification must be submitted to the Office of the Auditor General before any audit work begins.**

The USFR Compliance Questionnaire dated 5/14 supersedes the questionnaire dated 3/13 that was included in USFR Memorandum No. 257. **Auditors must use the 5/14 questionnaire for FY 2014 audits and thereafter.**

If you have questions or need assistance, please call the Office of the Auditor General, Accounting Services Division at (602) 553-0333, or the ADE School Finance Operations Unit at (602) 542-5695.