



Governing Board Agenda Item

Meeting Date: April 2, 2026

From: Thomas Bogart, Chief Financial Officer

Subject: Policy Revision

Priority: To plan for future needs in a proactive, accountable manner

Consent Action Discussion

Background:

Policy DIE, Audits/Financial Monitoring and Regulation DIE-R have minor revisions to include updated thresholds for independent financial audit requirements. These revisions are advised by the Arizona School Board Association to align with legislative guidance.

Recommended Motion:

I move that the Governing Board approve revisions to Policy DIE, Audits/Financial Monitoring, as presented.

Approved for transmittal to the Governing Board: 
Dr. Daniel Streeter, Superintendent

Questions should be directed to: Thomas Bogart, Chief Financial Officer
Phone: (520) 682-4749

DIE ©
AUDITS / FINANCIAL MONITORING

The Governing Board directs the Superintendent to implement procedures that assure District compliance with all state and federal requirements for audits and financial monitoring. Contingent upon prescribed qualifying criteria, such requirements may include, but are not limited to, procedural reviews by the Office of the [Arizona](#) Auditor General and the federal Single Audit Act Amendments and [the current U.S.](#) Office of Management and Budget (OMB) Compliance Supplement [June 2016](#).

Necessary Services

The procurement of the necessary services shall be consistent with the District's policy on bidding and purchasing procedures. Any allocation of costs for the services shall conform to the requirements of the Uniform System of Financial Records (USFR).

Board Presentation

A final report of each separate fiscal management review shall be presented to the Board for examination and discussion. After a report has been presented to the Board, it will become a matter of public record, and its distribution will not be limited. Copies of a final report shall be filed with appropriate state and other authorities.

The Governing Board shall publicly accept all audits and compliance questionnaires by roll call vote.

Posting

The District shall prominently post on its website home page a copy of its profile pages that displays the percentage of every dollar spent in the classroom by that school district from the most recent status report issued by the Auditor General.

Adopted: [April 2, 2026](#)

LEGAL REF.:

A.R.S.

[15-213](#)

[15-239](#)

[15-914](#)

[15-2111](#)

[41-1279.03](#)

[41-1279.04](#)

[41-1279.05](#)

[41-1279.07](#)

[41-1279.21](#)

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REGULATION
AUDITS / FINANCIAL MONITORING

Each program, instructional unit, and department shall prepare and maintain such financial records as are directed by the Superintendent. The documents shall be accurate and of essential sufficiency to enable the District to comply with all requirements for financial monitoring and audits, both internal and external.

Requirements for Proper Management

In addition to special reviews that may be conducted as necessary, the District will comply with the following minimum requirements to demonstrate proper management of and accountability for its fiscal resources:

A. Whenever the ~~District's expenditure of federal financial assistance is less than seven hundred thousand dollars (\$700,000) during a fiscal year~~ District expends less than one million dollars (\$1,000,000) in federal grants in a fiscal year (starting with Fiscal Year 2026 audits; seven hundred fifty thousand dollars (\$750,000) for earlier fiscal years), the District shall be subject to a procedural review conducted by the Office of the Auditor General at times determined by the Auditor General, subject to the following provisions:

1. Districts that have adopted a Maintenance and Operations Fund (M&O) budget of two million dollars (\$2,000,000) or more shall contract with an independent certified public accountant to conduct an annual financial statement audit in accordance with ~~generally accepted governmental United States (U.S.) generally accepted~~ auditing standards, Government Auditing Standards issued by the U.S. Comptroller General, and Uniform Guidance (2 CFR Part 200, Subpart F), as applicable.

2. Districts that have adopted a Maintenance and Operations Fund (M&O) budget between seven hundred thousand dollars (\$700,000) and two million dollars (\$2,000,000) shall contract with an independent certified public accountant to conduct a biennial financial statement audit in accordance with United States (U.S.) generally accepted ~~governmental~~ auditing standards, Government Auditing Standards issued by the U.S. Comptroller General, and Uniform Guidance (2 CFR Part 200, Subpart F), as applicable.

B. Whenever the ~~District's combined expenditure from all sources of federal financial assistance is seven hundred and fifty thousand dollars (\$750,000) or more during a fiscal year, the District shall contract with an approved independent auditor to conduct an annual financial~~ District expends one million dollars (\$1,000,000) or more in grants in a fiscal year (starting with Fiscal Year 2026 audits; previously is seven hundred fifty thousand dollars (\$750,000), the District shall contract with an independent certified public accountant to conduct an annual financial and compliance (Single) audit. The audit shall be performed in accordance with generally accepted auditing standards ~~in compliance with the requirements of the federal~~

~~Single Audit Act Amendments of 2003 and any implementing regulations of the Office of Management and Budget (OMB), Government Auditing Standards issued by the U.S. Comptroller General, and Uniform Guidance (2 CFR Part 200, Subpart F), as applicable.~~

To the extent permitted by federal law, the District:

A. may convert to a biennial audit schedule when the previous annual audit contained no significant negative findings, defined as the District having received a letter of noncompliance issued by the ~~auditor general~~Auditor General;

B. shall convert back to an annual audit whenever an audit produces significant negative findings;

C. may convert back to a biennial audit schedule when the two (2) previous audits have not contained any significant negative findings.

The Superintendent shall be promptly informed of any material deficiency that is discovered during a monitoring or auditing process.