



Livonia Public Schools

Finance Office

Date: May 8, 2026

To: Andrea L. Oquist, Superintendent

From: Alison Smith, Chief Financial Officer

Re: Appointment of Auditor

I would like to continue our discussion on the appointment of an external audit firm for the district's 2025-2026 financial statements.

An annual external audit is an essential component of strong financial governance for a school district. The audit provides the Board of Education, taxpayers, employees, and the broader community with independent assurance that the district's financial statements are accurate and that public funds are being managed responsibly. External audits also help strengthen transparency and accountability by verifying compliance with state and federal regulations, grant requirements, and Board policies. In addition, the audit process can identify internal control weaknesses or operational inefficiencies, allowing district leadership to make improvements that reduce risk and promote sound fiscal stewardship. A clean audit opinion reinforces public trust and demonstrates the district's commitment to ethical and responsible financial management.

During the audit process, independent auditors perform a variety of procedures to evaluate the district's financial operations and reporting practices. Auditors review financial records, test transactions, examine supporting documentation, and assess the effectiveness of internal controls related to areas such as payroll, purchasing, cash handling, and federal grant compliance. They may interview district staff, review Board policies and meeting minutes, confirm account balances with financial institutions, and perform sampling procedures to verify the accuracy of revenues and expenditures. Auditors also evaluate compliance with applicable laws, accounting standards, and state reporting requirements before issuing an opinion on whether the district's financial statements are fairly presented in accordance with generally accepted accounting principles.

There is no board policy or law that requires the Board to formally vote on auditing services, as this is under the category of a professional service, but we have done so in the past and this step provides transparency to the community on our financial practices.

Please place this item on the agenda for the next Finance Committee meeting on Monday, May 11, 2026.

c: Board of Education