

SUBJECT: AUDIT COMMITTEE

An Audit Committee has been established by Board resolution. The Audit Committee may consist of:

- a) The Board as a whole;
- b) A subcommittee of the Board; or
- c) An Advisory Committee that may include, or be composed entirely of persons other than Board members if, in the opinion of the Board, such membership is advisable to provide accounting and auditing expertise.

Persons other than Board members who serve on the advisory committee will be independent and will not be:

1. Employed by the District;
2. An individual who within the last two years provided, or currently provides, services or goods to the District;
3. The owner of or have a direct and material interest in a company providing goods or services to the District; or
4. A close or immediate family member of an employee, officer, or contractor providing services to the District.

The Audit Committee will consist of at least three (3) members who should collectively possess knowledge in accounting, auditing, financial reporting, and District finances. They will serve without compensation, but will be reimbursed for any actual and necessary expenditure incurred in relation to attendance at meetings. Employees of the District are prohibited from serving on the Audit Committee. Members of the Audit Committee will be deemed District Officers, but will not be required to be residents of the District.

The role of the Audit Committee will be advisory unless the Audit Committee consists of at least a quorum of Board members, and any recommendations it provides to the Board will not substitute for any required review and acceptance by the Board.

The Audit Committee will develop and submit to the Board for approval a formal, written charter which includes, but is not limited to, provisions regarding the committee's purpose, mission, duties, responsibilities and membership requirements.

(Continued)

SUBJECT: AUDIT COMMITTEE (CONT'D.)

The Audit Committee shall hold regularly scheduled meetings and report to the Board on the activities of the Committee on an as needed basis, but not less than annually. The report will address or include at a minimum:

- a) The activities of the Audit Committee;
- b) A summary of the minutes of the meeting;
- c) Significant findings brought to the attention of the Audit Committee;
- d) Any indications of suspected fraud, waste, or abuse;
- e) Significant internal control findings; and
- f) Activities of the internal audit function.

The responsibilities of the Audit Committee include the following:

- a) Provide recommendations regarding the appointment of the External (Independent) Auditor for the District;
- b) Meet with the External (Independent) Auditor prior to commencement of the audit;
- c) Reviewing and discussing with the External (Independent) Auditor any risk assessment of the District's fiscal operations developed as part of the Auditor's responsibilities under governmental auditing standards for a financial statement audit and federal single audit standards if applicable;
- d) Receiving and reviewing the draft annual audit report and accompanying draft management letter and, working directly with the External (Independent) Auditor, assist the Board in interpreting such documents;
- e) Making a recommendation to the Board on accepting the annual audit report; and
- f) Discussing and analyzing every corrective action plan developed by the District in response to any audit and assist the Board in its implementation.

Any Board member who is not a member of the Audit Committee may be allowed to attend an Audit Committee meeting, including an executive session of the Audit Committee, if authorized by a Board resolution. However, if such Board member's attendance results in a meeting of a quorum of the full Board, any action taken by formal vote may constitute official Board action.

(Continued)

SUBJECT: AUDIT COMMITTEE (CONT'D.)

Corrective Action Plan

Within ninety days of receipt of the report or management letter, the Superintendent and Business Official will prepare a corrective action plan approved by the Board in response to any findings contained in:

- a) The annual external audit report or management letter;
- b) A final audit report issued by the District's internal auditor;
- c) A final report issued by the State Comptroller;
- d) A final audit report issued by the State Education Department (SED); or
- e) A final audit report issued by the United States or an office, agency or department thereof.

The Audit Committee will review and approve the corrective action plans developed by the Superintendent and Business Official. The corrective action plan must be filed with the SED, and if appropriate, must include the expected date(s) of implementation. The District will also timely post a copy of this plan on its website. To the extent practicable, implementation of the corrective action plan should begin no later than the end of the next fiscal year.

Additional responsibilities of the Audit Committee include: assisting in the oversight of the Internal Audit Function including, but not limited to, providing recommendations regarding the appointment of the Internal Auditor; reviewing significant findings and recommendations of the Internal Auditor; monitoring the District's implementation of these recommendations; and participating in the evaluation of the performance of the Internal Audit Function.

The Audit Committee may conduct an Executive Session pertaining to the following matters:

- a) To meet with the External (Independent) Auditor prior to commencement of the audit;
- b) To review and discuss with the External (Independent) Auditor any risk assessment of the District's fiscal operations developed as part of the Auditor's responsibilities under governmental auditing standards for a financial statement audit and federal single audit standards if applicable; and
- c) To receive and review the draft annual audit report and accompanying draft management letter and, working directly with the External (Independent) Auditor, assist the Board in interpreting such documents.

POLICY

Churchville-Chili Central School District

2023

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Non-Instructional/Business Operations

SUBJECT: AUDIT COMMITTEE (CONT'D.)

Education Law §§ 2116-a, 2116-c, and 3811-3813
Public Officers Law §§ 105(b), 105(c) and 105(d)
8 NYCRR § 170.12(d)

NOTE: Refer also to policies #1330 – Appointments and Designations by the Board
 #1335 – Appointment and Duties of the Claims Auditor
 #2210 – Committees of the Board

Adoption Date: 9/12/2006

Revised: 7/9/2019

Reviewed by Superintendent & Assistant Superintendent for Business Services 10/11/2023 with no recommended changes; approved by BOE 10/24/2023