marin country day school

Marin Country Day School Audit and Risk Committee Charter

November 2023

Purpose of the Audit and Risk Committee

The Marin Country Day School ("MCDS" or the "School") Board of Trustees (the "Board") is dedicated to conducting its business in the best interests of the School. Accordingly, the Board monitors the operations and activities of the School to help insure the accountability and integrity of board and administrative functions. This monitoring function will be conducted by an Audit and Risk Committee (the "Committee") whose members will serve at the pleasure of the Board. The specific composition and responsibilities of the Committee are as follows:

Formation and Structure of the Committee

The Committee shall consist of at least three but not more than seven members and must be appointed by MCDS's Board. The majority of the members should be from outside the Finance Committee.

The Chair of the Committee must be a Board member and cannot be the MCDS Finance Committee Chair. The other Committee members can, but do not have to, be members of the Board. The Committee should have at least one member with professional financial expertise.

The Committee may not include any member of MCDS's staff or any person who has a material financial interest in any entity doing business with MCDS. The MCDS Assistant Head for Finance and Operations and the Director of School Safety will frequently attend meetings of the Committee, but may not be present when the Committee meets in executive session with the school's auditor.

The Committee should also encourage its members to attend CAIS and other conferences focused on risk mitigation and governance issues.

Duties of the Committee

The primary duty of the Committee is to oversee the relationship between the independent auditor and MCDS through the following:

- Make recommendations to the Board as to the retention and termination of the independent auditor on an annual basis.

- Review and monitor the annual fee arrangements with the independent auditor. The Committee Chair and MCDS CFO will approve the engagement letter setting out the scope of the audit work to be performed, the timing of the work, and the related fees.

- Confer with the auditor to be able to conclude whether the financial affairs of the school are in order.

- Review and determine whether to accept the annual audit as presented by the independent auditor.

- Approve any performance of any non-audit services by the auditing firm.

- Ensure that audit partner rotation occurs every five years.

- Evaluate and review the risks faced by MCDS in achieving its mission, and MCDS's implementation of procedures to mitigate any material risks to its financial health and reputation. Understand and review significant risks and exposures faced by MCDS and plans to mitigate them.

- Review and assess the sufficiency of the property and liabilities insurance policies annually.

- Review MCDS's whistleblower policy, its document retention and destruction policy, and any other material policy related to ethics every other year.

- Review this Charter every two years or more frequently if deemed necessary or advisable by the Committee to assure its compliance with laws and regulations and its adherence to Committee practices and policies.

Committee Meeting Schedule

The Committee can schedule any additional meetings as it sees fit but it must meet at least once during any annual audit cycle:

- The Committee will meet when the independent auditor delivers its report. The Committee will review the auditor's report and related management letter addressing any internal control issues that the auditor has noted during the course of the audit. As part of this meeting, the Committee will meet separately with the independent auditor, without staff present, to inquire as to the overall performance of the staff and the auditor's conclusion as to MCDS's overall internal control environment.

Report of the Committee

The Committee shall report to the Board annually at a Board meeting following the meeting where the independent auditor's report has been presented to the Committee. The conclusions reached in that meeting shall be reported to the Board and made a part of the minutes of that Board meeting.