

AUDIT COMMITTEE CHARTER TEMPLATE

Audit Committee Authority

Pursuant to the resolution adopted by the Board of Education on December 20, 2005, the Board of Education has established an audit committee of the whole Board for the oversight of both the internal and external audit functions. According to NYS Education Law §2116(4), the role of an audit committee shall be advisory and any recommendations it provides to the Board shall not be substituted for any required review and acceptance by the Board of Education.

Mission

The Board of Education audit committee will provide independent assistance to the Board in the oversight of the following matters:

- Assist in providing oversight of the internal and external audit functions, including the appointment of the internal and external auditors.
- Review the scope, plan and coordination of the external audit.
- Review corrective action plans and necessary improvement based on audit findings and recommendations received from external and internal auditors.

Duties and Responsibilities

The duties and responsibilities of the district's Audit Committee shall include the following:

External Audit Focus

- Recommend selection of the external auditor to the Board of Education.
- Meet with the external auditor prior to commencement of the audit to review the engagement letter.
- Review and discuss with the external 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.
- Review the external auditor's assessment of the district's system of internal controls.
- Receive and review the draft annual audit report and accompanying draft management letter and, working directly with the external auditor, assist the Board of Education in interpreting such documents.
- Make a recommendation to the Board of Education on accepting the annual audit report.

- Review any corrective action plan developed by the district and assist the Board of Education in its implementation of such plans.

Internal Audit Focus

- Make recommendations to the Board of Education regarding the appointment of the internal auditor.
- Assist in the oversight of the internal audit function.
- Review the annual internal audit plan to ensure that high risk areas and key control activities are periodically evaluated and tested.
- Review the results of internal audit activities and significant recommendations and findings of the internal auditor.
- Monitor implementation of the internal auditor's recommendations by management.
- Provide input on the performance evaluation of the internal auditor.

Reporting Requirements

The district's Audit Committee has the duty and responsibility to report its activities to the Board of Education. Periodic written reports of Audit Committee activities are an important communication link between the Audit Committee and the Board on key decisions and responsibilities. The Audit Committee's reporting requirements are to:

- Report on the scope and breadth of committee activities so that the Board of Education is kept informed of its work.
- Provide minutes of meetings and work sessions which clearly record the actions and recommendations of the Committee.
- Report on their review of the district's draft annual audit report and accompanying management letter and their review of significant findings and recommendations of the internal auditor.
- Report on suspected fraud or abuse or material defects in the internal control systems.
- Report on material or significant non-compliance with laws or district policies and regulations.
- Report on any other matters that should be disclosed to the Board of Education.

Review of the Charter

The district's Audit Committee shall assess and report to the Board of Education on the adequacy of this Charter no less than an annual basis or as necessary. Charter modifications, as recommended by the Audit Committee, should be presented to the Board of Education in writing for their review and action.