

MILLER PLACE UFSD AUDIT COMMITTEE CHARTER

Audit Committee Authority

The Miller Place Union Free School District Board of Education established an audit committee on December 14, 2005 effective January 1, 2006 to assist the Board of Education in the oversight of both the internal and external audit functions. The requirement to create an audit committee was established by Section 2116-c of the Education Law.

Mission

The Board of Education established an audit committee to provide oversight of the following matters:

- Reporting on the internal and external audit functions, including the recommendation of the internal and external auditors.
- Participating in the competitive Request for Proposal Process (RFP) used to solicit quotations for the District's annual external audit.
- Review the scope, plan and coordination of the external audit.
- Review the scope, plan and coordination of the internal audit.
- Provide a communications link between the external and internal auditors and the Board.
- The committee is advisory in nature.

Composition and Skills

The District's Audit Committee is comprised of all five (5) Board of Education members. These members serve without compensation. The members shall collectively have knowledge and awareness of internal controls, financial statement audits, and management/operational audit.

Audit Committee Duties

The audit committee duties include the following:

- **External Audit Focus**
 - Recommendation of the external auditor to the Board of Education.
 - Meet with the external auditor to review the external audit plan.
 - 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.
 - Review upcoming changes to the governmental auditing standards with external auditors.
 - Receive and review the draft annual audit reports and related schedules and meet directly with the external auditor to 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 and assist in the implementation of such plan.
- **Internal Audit Focus**
 - -Recommendation of the internal auditor to the Board of Education.
 - Assist in the oversight of the internal audit function.
 - Meet with the internal auditor and 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.
 - Review any corrective action plan developed and assist in the implementation of such plan.

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- **Other Items**

- Review of suspected fraud or abuse or material defects in the internal control systems.
- Review of indication of material or significant non-compliances with laws or district policies and regulations.
- Review of any other audit related matters.

Membership

The audit committee membership duties include the following:

- **Good Faith** – Members of the audit committee shall perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the committee and the district with such care as a generally prudent person in a similar position would use under similar circumstances.
- **Independence** - The following individuals are precluded from being an Audit Committee member:
 - Someone currently employed by the District;
 - Someone currently or previously providing goods or services to the District during the past two years;
 - Someone of the immediate family (spouse, spouse equivalent or dependent, whether or not related) or close family member (parent, sibling or nondependent child) of an individual who is an employee, officer or contractor providing goods or services to the district; or
 - Someone who is the owner of or has a direct and material interest in a company providing goods or services to the district.
- **Confidentiality** – During the exercise of duties and responsibilities, the committee members may have access to confidential information. The committee shall have an obligation to the district to maintain the confidentiality of such information.

Meetings and Notification

The Audit Committee shall meet each year as often as necessary to conduct district business. The committee meetings will be posted on the district website. The audit committee may conduct an executive session in accordance with law and Commissioner's regulation. Minutes shall be prepared for each meeting.

Decision-Making Process

The audit committee will review and discuss all audit reports with the respective auditor. All decisions shall be reached by consensus of those members present at the meeting. Consensus is defined as an acceptable solution that all can agree to support and if consensus cannot be reached then a simple majority will rule.

Reporting Requirements

The audit reports discussed at the audit committee meetings will be discussed and accepted by the Board of Education at their regular monthly meeting or if necessary at a special meeting.

Charter Review

The audit committee shall assess and report to the Board of Education on the adequacy of this Charter no less than on 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.