Onteora Central School District
Audit Committee Charter

June 26, 2023

1. Audit Committee Authority

1.1. Dated July 13, 2005, the Board of Education of the Onteora Central School District has established an Audit Committee to assist the Board of Education in the oversight of both the internal and external audit functions.

1.2. The requirement to create an Audit Committee was established by Education Law §2116-c. In accordance with Education Law §2116-c. (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.

2. Mission

2.1. The Board of Education of the Onteora Central School District has established an Audit Committee to provide independent advice, assistance, and recommendations to the Board in the oversight of the internal and external audit functions of the District.

3. Composition and Requisite Skills

3.1. The Onteora Central School District Audit Committee is comprised of five members.

3.2. The Committee, as established by the Board of Education, shall be an advisory committee.

3.3. The Committee members collectively should possess the knowledge in accounting, auditing, financial reporting and School District finances needed to understand and evaluate the School District's financial statements, the external audit and the District's internal audit activities.

3.4. Accordingly, the Audit Committee's members, collectively, should:

3.4.1. Possess the requisite knowledge necessary to understand technical and complex financial reporting issues.

3.4.2. Have the ability to communicate with auditors, public finance officers and the school board.

3.4.3. Be knowledgeable about internal controls, financial statement audits and management/operational audits.

4. Duties and Responsibilities

The duties and responsibilities of the Onteora Central School District Audit Committee include the following:

4.1. External Audit Focus

4.1.1. Provide recommendations regarding the selection of the external auditor to the Board of Education.

4.1.2. Meet with the external auditor prior to commencement of the audit to, among other things, review the engagement letter.

4.1.3. 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.

4.1.4. Receive and review the draft annual audit report and accompanying draft management letter, including the external auditor's assessment of the District's system of internal controls, and, working directly with the external auditor, assist the Board of Education in interpreting such documents.

4.1.5. Make a recommendation to the Board of Education on accepting the annual external audit report.

4.1.6. Review every corrective action plan developed by the School District for recommendation to the Board of Education for approval of such plans and execution thereof.

4.2. Internal Audit/Program Review Focus as Needed

4.2.1. Make recommendations to the Board of Education regarding the appointment of the internal auditor. If future district enrollment reaches 1,500 students a program audit would be reconsidered as referenced in Section 170.12(b) School District Financial Accountability of the Regulations of the Commissioner of Education.

4.2.2. Assist in the oversight of the internal audit/program review function, including reviewing the bi-annual internal audit plan/program review to ensure that high risk areas and key control activities are periodically evaluated and tested, and reviewing the results of those activities.

4.2.3. Review significant recommendations and findings of the internal auditor.

4.2.4. Monitor implementation of the internal auditor's recommendations by management.

4.2.5. Make a recommendation to the Board of Education to accept internal audit/program review report(s).

4.2.6. Participate in the evaluation of the performance of the internal audit/program review function.

4.3. Administrative Matters

4.3.1. Hold regularly scheduled meetings.

4.3.2. Review and revise the Audit Committee Charter, as required.

4.3.3. Hold an annual election of the chairperson to be conducted at the first meeting of the new fiscal school year.

4.3.4 New Members

4.3.4.1. A new member requires a recommendation from the existing members of the Audit Committee or the Board of Education in order for the BOE to appoint the member to the Committee.

4.3.4.2. A majority vote from existing Audit Committee members is required for a recommendation to appoint a new member to the Committee. If a candidate is NOT supported by a majority of the existing Audit

Committee members, the application shall not be forwarded to the BOE for consideration.

4.3.4.3. The BOE shall be advised of the vote on the applicant.

4.3.3.4. The final decision to appoint is determined by the BOE.

4.3.3.5. In the absence of a quorum on the Committee, the BOE is responsible for appointing enough members to the Committee to establish a quorum for a functioning Audit Committee.

5. Membership

5.1. The membership duties of the Onteora Central School District Audit Committee include the following:

5.1.1. Good Faith - Members of the 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.

5.1.2. Independence - An individual may not serve on the Audit Committee if he or she:

5.1.2.1. Is employed by the District.

5.1.2.2. Currently provides, or within the prior two years, has provided, goods or services to the District.

5.1.2.3. Is an immediate family member (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 services to the District.

5.1.2.4. Is the owner of or has a direct and material interest in a company providing goods or services to the District.

5.1.3. 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.

6. Meetings and Notification

6.1. The Onteora Central School District Audit Committee shall meet a minimum of four times each year.

6.2. An agenda of each meeting should be clearly determined in advance and the Audit Committee should receive supporting documents in advance, for reasonable review and consideration.

6.3. A Quorum of the Audit Committee is required to conduct business.

6.4. The Audit Committee shall give notice and prepare minutes of each meeting. At a minimum, the minutes will include the following:

6.4.1. The meeting agenda

6.4.2. Date, attendance and location of the meeting

6.4.3. Except as otherwise provided by law in connection with executive sessions, summaries of the topics discussed, and all motions, proposals, resolutions and any other matter formally voted upon and the vote thereon, including recommendations agreed to by the Committee.

6.4.4. As appropriate, copies of materials discussed or presented at the meeting.

7. Decision-Making Process

7.1. All decisions shall be reached by vote of a simple majority of the total membership of the Committee. A quorum constitutes a simple majority of the total membership. The meetings will not be conducted unless a quorum is present.

8. Reporting Requirements

8.1. The Onteora Central School District Audit Committee Chairperson has the duty and responsibility to report its activities to the Board of Education after each meeting, but not less than quarterly. Periodic 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:

8.1.1. Report on the scope and breadth of Committee activities so that the Board of Education is kept informed of its work.

8.1.2. Provide minutes or a summary of minutes of meetings which clearly record the actions and recommendations of the Committee.

8.1.3. Report on their review of the District's draft annual audit report and accompanying management letter and their review of significant findings.

8.1.4. Report on suspected fraud, waste or abuse, or significant internal control findings and activities of the internal control function.

8.1.5. Report on indications of material or significant non-compliance with laws or District policies and regulations.

8.1.6. Report on any other fiscal matters that the Committee believes should be disclosed to the Board of Education.

9. Review of the Charter

9.1. The Onteora Central School District Audit Committee shall assess and report to the Board of Education on the adequacy of this Charter at each Spring quarterly meeting or as necessary.

9.2. Charter modifications, as recommended by the Audit Committee, must be presented to the Board of Education in writing for their review and acceptance.