Liberty Public School District No. 53
Audit & Finance Committee Charter

I. Purpose

The Audit & Finance Committee (Committee) of the Liberty Public School District No. 53 (District) is a committee appointed by the Liberty Public School District Board of Education (Board) and is responsible for reviewing and making recommendations to the Board relating to any matters of audit or financial concern within the operation of the District. The Committee functions under the requirements of Board policy BCE Board-Appointed Committees. The overall responsibility of the Committee will consist of performing a review of the operations of the District and making recommendations, including, but not limited to, the following: contract awards, financial reports of revenue and expenditures, non-bond capital improvement reports, bond issue capital improvement reports, investment reports, annual budget, long range financial planning objectives, audit reports, and internal control reports.

II. Membership of Audit & Finance Committee

The Committee shall be comprised of the following voting members: up to seven (7) members of the community and the Chief Financial Officer, a non-voting member. The chairperson of the committee shall be elected by the Committee and will represent the committee, including its ongoing reporting responsibilities to the Board of Education. The chairperson shall demonstrate current and/or prior supervisory experience in the areas of accounting, corporate governance, compliance, financial management, financial planning, financial reporting, and/or auditing. The chairperson of the Committee shall be elected annually at the first meeting of the new year.

Membership Composition of Audit & Finance Committee:

Allen Bright, community representative, term expires June 30, 2027
Heath Burch, community representative, term expires June 30, 2027
Rachel Dwiggins, community representative, term expires June 30, 2029
Allison Gardner, community representative, term expires June 30, 2027
Elvin Hollon, community representative, term expires June 30, 2028
Toni Sturdivant, community representative, term expires June 30, 2029
Cindy Thompson, community representative, term expires June 30, 2028
Board of Education members, as available
Cindy Sullivant, Chief Financial Officer

Community members shall serve triennially. As terms expire, applications will be requested from interested persons and considered by the Board with selection made prior to July 1 of each year.

Additionally, administrators and other appropriate persons shall be invited to attend meetings for purposes of reporting to the Committee.

Adopted: 9/2008
Revised: 9/2012, 6/2013, 8/2013, 7/2014, 7/2015, 7/2016, 7/2017, 6/2018, 6/2019, 7/2020, 7/2021, 6/2022, 7/2023, 7/2024, 7/2025, 7/2026

III. Scope of Audit & Finance Committee Work

In accomplishing its assigned responsibilities, the Committee shall meet at least quarterly, or as required to fulfill the responsibilities of the Committee, and undertake the following listed duties and such other matters within its responsibilities as may warrant its attention. The Committee shall operate in accordance with the Missouri Sunshine Law and Board of Education policy.

A. Financial Management Oversight

1. Review the District's monthly financial reports from management on the financial operations of the District.
2. Review the District's monthly investment reports from management on the performance of the District's investment portfolio.
3. Report to the Board recommendations for acceptance, as agreed upon, of the foregoing activities.
4. Review the annual budget and make specific recommendations to the Board on its adoption, including where desirable, comments on expenditures and revenues, adequacy of proposed funding levels of programs, and adequacy of provision for reserves.
5. Review of the long-range financial objectives of the District and the ability to sustain recommended fund balance reserves and the accomplishment of the District's stated mission and programs. Report to the Board annually on such objectives, including recommendations for revision as appropriate.

B. External Audit Oversight

1. Provide an open avenue of communication between the independent auditor and the Board.
2. Confirm and assure the independence of the independent auditor.
3. Inquire of management and the independent auditor about significant risks or exposures and assess the steps management has taken to minimize such risk.
4. Consider and review with the independent auditor:
    a. The adequacy of internal controls including computerized information system controls and security, as documented in report of the independent auditor.
    b. Related findings and recommendations of the independent auditor with management's responses as documented in the report from the independent auditor.
5. Consider and review with management and the independent auditor:
    a. Significant findings during the year, including the status of previous audit recommendations.
    b. Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.
6. Recommend the selection of the independent auditor for approval by the Board.
7. Consider, in consultation with the independent auditor prior to the auditor's field work each year, the audit scope and plan of the independent auditor.
    a. After meeting with the auditor, review with management, the audit scope and plan of the independent auditor.

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b. Inform the Board of any significant changes required in the independent auditor's audit plans as a result of meeting with the auditor.

8. After the audit is complete, the committee shall:
    a. Participate in an exit conference with the auditor with management present.
    b. Meet with the auditor following the meeting noted above in 8.a. without any members of management present.
    c. Review the independent auditor's audit report of the financial statements, accompanying footnotes and its report thereon. Discuss with the auditor any noted problems and upon resolution of such, formally vote to accept such report.
    d. Discuss with the auditor any difficulties or disputes with management encountered during the course of the audit.
    e. Discuss other matters related to the conduct of the audit, which are to be communicated to the Committee under Generally Accepted Auditing Standards.
    f. Arrange for the independent auditor to be available to the full Board at least annually, as determined necessary.
9. Report to the Board on significant results of the foregoing activities.

C. Internal Audit Oversight

1. Receive reports from management regarding internal control processes and recommended changes to policies and procedures.
2. Recommend additional internal control processes as appropriate.
3. Report to the Board on significant results of the foregoing activities.

D. Accounting & Reporting Practices

1. Advise financial management and the independent auditor of the expectation to provide a timely analysis of significant current financial reporting issues and practices.
2. Inquire as to the auditor's independent qualitative judgments about the appropriateness, not just the acceptability, of the accounting principles and the clarity of the financial disclosure practices.
3. Inquire as to the auditor's views about whether management's choices of accounting principles are conservative, moderate or aggressive from the perspective of income, asset, and liability recognition, and whether those principles are common practices or are minority practices.
4. Inquire as to the auditor's views about how choices of accounting principles and disclosure practices may affect public views and attitudes.

E. Fraud Risk Assessment and Reporting

1. The Committee will also serve in assessing risk of fraud throughout the District. The Committee will work in conjunction with the administration in determining areas and procedures that unduly expose the District to risk of fraud.
2. The Committee shall work with administration in the design of procedures to minimize such risk.

Adopted: 9/2008
Revised: 9/2012, 6/2013, 8/2013, 7/2014, 7/2015, 7/2016, 7/2017, 6/2018, 6/2019, 7/2020, 7/2021, 6/2022, 7/2023, 7/2024, 7/2025, 7/2026

3. The Committee will also be responsible for developing and monitoring the fraud reporting model to be implemented throughout the District and made available to all patrons and employees of the District.

F. Other Responsibilities as Required

1. Review and update the Committee's Charter, at least annually.
2. Review and approve requests for any management consulting engagement to be performed by the independent auditor and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter.
3. Recommend investigations into any matters within the Committee's scope of responsibilities.
4. Ensure that any new members of the Committee receive the appropriate orientation to the Committee by participating in a presentation by District management.

Adopted: 9/2008
Revised: 9/2012, 6/2013, 8/2013, 7/2014, 7/2015, 7/2016, 7/2017, 6/2018, 6/2019, 7/2020, 7/2021, 6/2022, 7/2023, 7/2024, 7/2025, 7/2026