200.3G4 – Financial Oversight Committee Charter

Adoption Date: 06/22/2021

History: 11/23/21 (reviewed), 11/29/22 (reviewed), 10/24/23 (reviewed), 10/8/24 (updated), 10/14/25 (reviewed), 5/26/26 (updated), 10/27/26 (updated)

Purpose

The purpose of the ICCSD Board of Education Financial Oversight Committee is to:

- Assist the full Board in carrying out its fiduciary responsibilities under Iowa law, including the Iowa Constitution and applicable statutes.
- Provide public assurance that District funds are expended only for legitimate public purposes and not for private personal gain for which services of comparable value have not been rendered.
- Provide independent, informed oversight of the District's financial condition, reporting, internal controls, and long-term sustainability.
- Enhance transparency, accountability, and public confidence in the District's financial practices.

Accountability

The Financial Oversight Committee serves as a standing committee of the Board of Education and provides advisory support to the full Board.

The committee will:

- Provide regular updates and recommendations to the Board of Education.
- Submit an annual summary report to the Board, which may be made available to the public in accordance with Iowa law
- Recommend any necessary changes in financial practices, policies, or procedures to the Board for consideration and approval
- Execute and fulfill the responsibilities established in this policy All final authority remains with the Board of Education.

Committee Chair and Vice Chair

One of the annually appointed committee members shall be elected by committee members to serve as the committee chair. Another committee member shall be elected by committee members to serve as the committee vice chair. Both the chairperson and vice chairperson shall be selected from the community members serving.

The primary responsibilities of the Chair include:

- Providing consistency in financial oversight activities
- Coordinating committee work and annual planning
- Reporting to the Board as requested
- Facilitating committee meetings
- Ensuring agendas, materials, and follow-up actions are appropriately managed

The primary responsibilities of the Vice Chair include:

- Facilitating committee meetings when the Chair is not present
- Represent the committee and carry out the duties of the Chair when the Chair is not able to do so

Communication with the Board

There will be a regular reporting structure for communication with the board. Such reports will primarily take the form of updates during the committee report section of regular board meetings, along with an annual report.

- A board liaison will provide updates during the standard committee report section of the regular board meeting that follows the last meeting of the Committee
- The committee will deliver an annual report as specified in Responsibilities 2. Financial Reporting & Transparency
- The committee chair will provide other reports as requested by the board

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Responsibilities

The Committee shall provide oversight, review, and recommendations in the following areas:

1. Statutory Financial Oversight

- Develop and maintain a process for committee members to review and approve all just claims against the school corporation (Iowa Code 279.29) on a bi-weekly basis
- Specify and review bi-weekly financial reports to be provided to the full Board, including:
    - Receipts, disbursements, and balances for District funds (Iowa Code 291.7)
    - Bills paid by the treasurer, including check number, fund, date, purpose, and amount (Iowa Code 291.8)

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2. Financial Reporting & Transparency

- Review annual audited financial statements with management and independent auditors
- Monitor the clarity, accuracy, and timeliness of financial reporting
- Promote understandable financial communication for Board members and the public

- Submit an annual summary report to the board at the end of each fiscal year, providing an overview of key activities in each of the eight areas of responsibility

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3. Budget & Financial Planning

- Review assumptions and parameters used in developing the annual budget
- Review draft and final annual budget prior to Board approval
- Monitor financial performance compared to the adopted budget
- Review multi-year financial projections and long-term financial sustainability

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4. Audit Oversight

- Oversee the independent audit process, including:
    - Review and recommendation of audit scope
    - Review of audit results and findings
    - Review of the management letter and corrective actions
- Recommend the selection of independent auditors to the Board
- Review auditor qualifications, independence, and performance
- Participate in audit request for proposal (RFP) processes at least every five years

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5. Internal Controls & Risk Management

- Review the adequacy of internal controls over financial reporting and operations
- Monitor implementation of corrective actions related to audit findings
- Review major financial risks, including:
    - Enrollment and funding trends
    - Staffing and compensation pressures
    - Capital and infrastructure needs
    - Technology and cybersecurity risks
- Review insurance coverage and risk management strategies

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6. Compliance & Ethics

- Monitor compliance with applicable laws, regulations, and Board policies related to financial management

- Review procedures for receiving, retaining, and addressing complaints related to:
    - Accounting or auditing matters
    - Internal controls
    - Suspected fraud or misuse of funds
- Review any significant financial complaints and their resolution

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7. Policy Review

- Review financial policies and procedures on a rotating basis
- Recommend updates to improve governance, clarity, and effectiveness

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8. Committee Effectiveness

- Conduct an annual self-assessment of committee effectiveness
- Review this Charter at least every three years and recommend updates to the Board

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Process

The Chief Financial Officer will facilitate the Committee meetings. The CFO will serve the committee in an ex-officio capacity.

- The Committee shall meet at least 6 times per year, aligned to the District's financial and audit cycle
- Additional meetings may be scheduled as needed

Meeting participants may include:

- District administration (e.g., Chief Financial Officer / Chief Operating Officer / Superintendent)
- Independent auditors
- Legal counsel or other advisors, as needed

The Committee may meet in executive session as permitted by law.

Annual Work Plan

The Committee will maintain an annual work plan aligned to the District's financial calendar, including:

- **Fall:** Financial condition and risk review
- **Winter:** Audit review and financial reporting
- **Spring:** Budget development and audit planning

- **Late Spring:** Final budget review and annual reporting

Authority

The Committee is authorized to:

- Request information from District staff
- Meet with auditors, management, or legal counsel (with or without staff present)
- Review any matter within its scope of responsibility
- Recommend actions to the Board

Membership

The committee will be renewed each year during the fall Board organizational meeting.

The Committee shall consist of:

- **2 Board of Education members** (liaison role, non-chair, non-voting)
    - Two consistent liaisons
- **Chief Financial Officer** (ex-officio, non-voting)
- **5-7 community members, with expertise in at least one of the following areas:**
    - Accounting / auditing
    - Finance / banking
    - Business leadership
    - Risk management / legal,

  with preference for residents of the Iowa City Community Schools or those who have children attending Iowa City Community Schools.

Selection Process

There will be an application process to fill vacancies on the committee.

- The district will publicize the application period and membership requirements
- The committee will review applications
- Qualified applicants will be nominated by the committee for selection and then submitted to the board for approval.

Terms

- Community members serve **three-year staggered terms**
- Members can serve two three-year terms before rotating off
- The committee chair and vice chair serve one-year terms. They may be re-elected by vote of the committee.

Removal and Vacancies

A committee member may be considered for removal from the committee if they fail to regularly attend at least 75% of meetings. Committee members are expected to contribute to the committee in a meaningful way. Lack of attendance disrupts the committee's purpose and diminishes the role of the committee member. The committee chair must submit removals to the board for consideration and approval.

Vacancies caused by removal or resignation shall be filled in the same manner as the selection process. The timeline to fill a vacancy is within two meetings.

Classification

The committee will be a standing Board Committee.

- Meetings will be conducted in accordance with Iowa Code
- Agendas will be posted at least 24 hours in advance when required
- Minutes will be taken and maintained as part of the public record