

AUDIT COMMITTEE

The Board of Education establishes an audit committee to serve as a professional link between the Board and the independent auditors. The audit committee is charged with assisting the Board to understand unfamiliar audit terminology and concepts, and to verify that audit recommendations are addressed in a timely and appropriate manner. Specifically, the audit committee is directed to perform the following functions:

- A. review the annual unaudited financial report submitted to the Auditor of State;
- B. periodically review the process used to prepare interim financial information submitted to the Board;
- C. review audit results;
- D. assure that the audit recommendations are appropriately addressed;
- E. assure auditors' independence from the Board and Administration;
- F. serve as liaison between the Board and the independent auditors.

The audit committee will consist of all five (5) Board members and two (2) members from FACT (Financial Activities Communications Team). In addition, the Treasurer and Superintendent shall be part of the committee. Members of the audit committee must be professionals knowledgeable in District operations and in governmental accounting/auditing. FACT will select two of its members to participate on the audit committee. Once selected, the Board will appoint FACT members to the audit committee by Board resolution, typically at its annual meeting, and the FACT members will serve a two (2) year term.

The audit committee is expected to meet at least twice a year to monitor the District's financial reporting and control activities, and with its independent auditors before and after each audit. The audit committee is further directed to meet at least twice during the audit process.

- A. before the auditors begin the audit, to review audit plans and communicate any special area of concern;
- B. near the end of the audit, to review the draft audit report.

To assist the audit committee in carrying out its functions, auditors are requested to communicate the following information to the members of the audit committee:

- A. the auditors' professional responsibility under generally accepted auditing standards;
- B. selections of accounting policies;
- C. sensitive accounting estimates;
- D. significant audit adjustments;
- E. disagreements with management;
- F. difficulties encountered in performing the audit.

At least annually, the audit committee is responsible for presenting a formal report, which details its activities, to the Board and the community.