

SUBJECT: AUDIT COMMITTEES

No later than January 1, 2006, an Audit Committee shall be established by Board resolution. The Audit Committee may consist of:

- a) The Board of Education as a whole;
- b) A subcommittee of the Board of Education; or
- c) An Advisory Committee that may include, or be composed entirely of persons other than Board members if, in the opinion of the Board, such membership is advisable to provide accounting and auditing expertise.

The Audit Committee shall consist of at least three (3) members who shall serve without compensation, but shall be reimbursed for any actual and necessary expenditure incurred in relation to attendance at meetings. Employees of the District are prohibited from serving on the Audit Committee. Members of the Audit Committee shall be deemed School District Officers, but shall not be required to be residents of the School District.

The role of the Audit Committee shall be advisory unless the Audit Committee consists of at least a quorum of Board members, and any recommendations it provides to the Board shall not substitute for any required review and acceptance by the Board of Education.

The responsibilities of the Audit Committee include the following:

- a) Provide recommendations regarding the appointment of the External (Independent) Auditor for the District;
- b) Meet with the External (Independent) Auditor prior to commencement of the audit;
- c) Review and discuss with the External (Independent) 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;
- d) Receive and review the draft annual audit report and accompanying draft management letter and, working directly with the External (Independent) Auditor, assist the Board of Education in interpreting such documents;
- e) Make a recommendation to the Board on accepting the annual audit report; and
- f) Review every corrective action plan developed by the School District and assist the Board in its implementation.

(Continued)

SUBJECT: AUDIT COMMITTEES (Cont'd.)

Additional responsibilities of the Audit Committee include: assisting in the oversight of the Internal Audit Function including, but not limited to, providing recommendations regarding the appointment of the Internal Auditor; reviewing significant findings and recommendations of the Internal Auditor; monitoring the School District's implementation of such recommendations; and evaluating the performance of the Internal Audit Function.

The Audit Committee may conduct an Executive Session pursuant to Public Officers Law Section 105 pertaining to the following matters:

- a) Any matter which may disclose the identity of a law enforcement agent or informer;
- b) Information relating to current or future investigation or prosecution of a criminal offense which would imperil effective law enforcement if disclosed; and
- c) Discussions regarding proposed, pending or current litigation.

Any Board member who is not a member of the Audit Committee may be allowed to attend an Audit Committee meeting if authorized by a Board resolution. However, if such Board member's attendance results in a meeting of a quorum of the full Board, any action taken by formal vote may constitute official Board action.

Education Law Sections 2116-c, and 3811-3813
Public Officers Law Sections 105(b), 105(c)
and 105(d)

First Reading: 12/12/05

Adopted: 1/9/06