

AUDIT ADVISORY COMMITTEE

General Statement

The Board of Education will designate and appoint an Audit Advisory Committee for purposes of overseeing and carrying out the Board's audit policies and the performance of related duties and responsibilities.

It is not the intent of the Board of Education that the Audit Advisory Committee participate in or be responsible for the day-to-day operations of the Mahopac School District, Central Office Administrators and Principals.

The Audit Advisory Committee is advisory only and any recommendations it makes to the Board will not substitute for any required review or acceptance, which must be done by the Board.

Composition

At its annual organizational meeting, the Board shall designate three members of the Board and two District residents or non-residents to serve on the Audit Advisory Committee for a term of two years. These members will be District officers for purposes of Education Law Section 3811-3813. They may not receive compensation, but will be reimbursed for their actual and necessary expenditures associated with attending committee meetings. The Board recommends that these individuals have accounting and auditing experience. Collectively, the committee should possess knowledge in accounting, auditing, financial reporting and school district finances.

In order to prevent conflicts of interest, employees of the Mahopac School District may not serve on the Audit Committee. Additionally, the following are also ineligible:

1. Individuals who currently or within the last two years have provided services or goods to the District.
2. Owners of or persons with a direct and material interest in a company providing goods or services to the District.
3. Close or immediate family members of an employee, officer or contractor providing services to the District.

Responsibilities

1. Develop a formal written charter. The charter must, at a minimum, include the Audit Committee's purpose, mission, duties, responsibilities and membership requirements. The charter must be submitted to the Board of Education for approval.
2. Hold regularly scheduled meetings, no fewer than four in each school year, and report to the Board of Education at least once per year
3. Prepare and issue reports of all its meetings
4. Its annual report to the Board must include the following:
 - a. The activities of the committee
 - b. A summary of its public meeting minutes
 - c. Significant findings brought to its attention
 - d. Any indications of suspected fraud, waste or abuse
 - e. Significant internal control findings
 - f. Activities of the internal audit function
5. Recommend persons/entities for appointment to the external auditor position

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6. Meet and communicate as needed with the internal and external auditors for purposes of review of all aspects of the management of the District's operations and the prudent use of the District's resources, including review of internal controls
7. Meet with the external auditor prior to the audit
8. Review and discuss with the external auditor any risk assessment of the District's fiscal operations
9. Receive and review the draft annual audit report and the accompanying draft management letter
10. Work directly with the external auditor, assisting Board members with interpreting these documents
11. Make recommendations to the Board on accepting the annual audit report
12. Identify and recommend to the Board of Education areas of operation which should be reviewed with respect to compliance with legal and regulatory requirement, and potential improvements in economy, efficiency and effectiveness
13. Review every corrective action plan with the District develops and assist the Board members with implementing these plans
14. Oversee the internal audit function
15. Conduct executive sessions whenever necessary

Procedures

1. Any Board member who is not a committee member may attend the Audit Committee's executive sessions by resolution of the Board.
2. The fiscal and accountability statutes and regulations permit the Audit Committee to enter into executive session for the following purposes only:
 - a. To meet with the external auditor prior to the commencement of the audit
 - b. To 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
 - c. To receive and review the draft annual audit report and accompanying draft management letter
3. As School District officers, members of the Audit Committee must take and file the Oath of Office with the District Clerk
4. Audit Committee members are deemed to be school officers for the purposes of Education Law, and, as such, they are entitled to defense and indemnification for acts within the scope of their duties in the event of a lawsuit against them.
5. Audit Committee meetings are subject to the Open Meetings Law.
6. The Audit Committee's records are subject to FOIL, except to the extent that disclosure is exempt, such as, personally identifiable information.

Education Law Section 2116-c
8 NYCRR Section 170.12(d)

Adoption date: March 14, 2006
Revised: October 20, 2015