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To: Ruth Zulich
Board of Education

From: Lorelei Case *lc/mo*

Date: September 14, 2017

Subject: Audit Committee Charter

The Audit Committee Resolution and Charter are on the September 19, 2017 agenda for approval.

There are only two changes from the previous document:

- date
- committee has been changed from a committee of the board as a whole to a sub-committee of board and community members

Roger Kalin is on the agenda to be appointed as a community committee member.

LC:mo

RESOLUTION

WHEREAS, Sections 2116-b and 2116-c of the Education Law require the Port Jervis City School District to establish an Audit Committee to oversee and report on the annual audit; and

WHEREAS, the Port Jervis City School District adopts this resolution to fulfill its obligation to create an Audit Committee; and

WHEREAS, the Audit Committee shall be composed of up to three (3) Board of Education Members and up to two (2) community members; and

WHEREAS, the Audit Committee shall have the responsibility to:

- (1) Interview external auditor candidates and provide recommendations regarding the appointment of the external auditor;
- (2) Meet with the external auditor prior to the commencement of the audit;
- (3) Review and discuss with the external auditor any risk assessment of 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;
- (4) Receive and review the draft annual audit report and accompanying draft management letter and work directly with the external auditor respecting the foregoing;
- (5) Make recommendation on accepting the annual audit report; and
- (6) Review every corrective action plan to be developed by the BOCES and assist in the implementation of such plan; and

WHEREAS, the Audit Committee shall have the further responsibility to assist in the oversight of the internal audit function, as defined in Section 2116-b of the Education Law, including, but not limited to, providing recommendations regarding the appointment of an internal auditor, the review of significant findings and recommendations and the evaluation of the performance of the internal audit function, as defined in Section 2116-b of the Education Law; and

WHEREAS, the Audit Committee shall have the power to conduct an executive session under section 105 of the Public Officers law pertaining to any matter set forth above in paragraphs (2), (3) and (4); and

NOW, THEREFORE, BE IT RESOLVED, that the Audit Committee of the Port Jervis City School District shall be comprised of up to three (3) Board of Education members and up to two (2) community members. While performing the duties of Audit Committee members, Board of Education members are deemed to be school officers within the purview of Section 3811 of the Education Law and Section 18 of the Public Officers Law. Each shall be entitled to be defended and indemnified for their acts and omissions within the exercise of their powers or the performance of their duties thereunder.

Approved: _____

Audit Committee Charter

By resolution dated September 19, 2017, the Board of Education of the Port Jervis City School District has established an audit committee as required by Education Law §2116-c. The Audit Committee acts to assist the Board of Education in overseeing the District's internal audit function and external audit.

Mission

The Audit Committee will ensure the District's fiscal accountability by providing independent assistance to the Board of Education in the oversight of the external and internal audits.

Membership

The Audit Committee shall be comprised of up to three (3) Board of Education Members and up to two (2) community members. The members of the Audit Committee will serve without compensation. Members will be reimbursed for their actual and necessary expenses related to attending committee Meetings. Audit Committee members are not required to be District Residents.

Members of the Audit Committee are school district officers. Each member must take the District's oath of office. In addition, committee members may not reveal any confidential information obtained during the exercise of their duties. The Audit Committee must collectively possess knowledge in accounting, auditing, financial reporting and school district finances.

Duties

- Will interview external auditor candidates and recommend for appointment by the Board of Education the external auditor for the District;
- Meet with the external auditor before the audit;
- 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;
- Receive and review the draft annual audit report and the draft management letter;
- Accept the annual audit report when completed;
- Review every corrective action plan that Education Law §2116-c requires the school district to develop and the implementation of all corrective actions;
- Oversee the internal audit function, including, but not limited to:
 - Recommending for action by the Board of Education the appointment of the internal auditor for the District;
 - Reviewing significant findings and recommendations of the internal auditor;
 - Monitoring the District's implementation of the internal auditor's recommendations; and
 - Participating in the evaluation of the performance of the internal audit function.
- Hold regularly scheduled meetings sufficient to fulfill all committee duties; and
- At least annually, review the Audit Committee Charter and make any recommended modifications.

Meetings

The Audit Committee will meet as needed throughout the year in order to fulfill its mission and duties. All Audit Committee decisions must be made by a quorum or simple majority of the total membership. Audit Committee meetings may not be conducted unless a quorum is present.

As a public body, the Audit Committee is subject to the requirements of the Open Meetings Law. Education Law §2116-c provides that the Audit Committee may only conduct an executive session to:

- Meet with the external auditor prior to the commencement of the audit;
- Review and discuss with the external auditor any risk assessment of the district's fiscal operations; and
- Receive and review the draft annual audit report and accompanying draft management letter.