

Batavia City School District Board of Education – Audit Committee Charter

I. Purpose

The audit committee has been constituted by the Batavia City School District Board of Education. According to Education Law S2116-c (4) the role of the audit committee is to work collaboratively with school administrators and yet serve as an independent advisory body to the Batavia City School District Board of Education in order to enhance management structures and increase accountability of fiscal control procedures to safeguard public funds. Any recommendation of the audit committee shall not be substituted for any required fiscal review and must be accepted by the Batavia City School District Board of Education.

II. Mission

The Board of Education constitutes the corporate body of the school district, and as such is legally responsible for the fiscal management of the district. The audit committee will work collaboratively with the Batavia City School District Board of Education and the Batavia City School administration to monitor financial controls for both internal and external audit functions to best sustain the education of students on a long-term basis.

III. Duties

The audit committee shall be advisory to the Batavia City School District Board of Education and any recommendations it provides to the Board of Education shall not substitute for any required review and must be accepted by the full board. The audit committee shall:

- Provide recommendations for the appointment of the external auditor
- Meet with the external auditor prior to the commencement of the audit
- Review and discuss with the auditor any risk assessment of the Batavia City School District fiscal operations as part of the auditor's responsibilities under governmental auditing standards
- Receive and review the draft annual audit reports and accompanying draft management letter, and working directly with the auditor, assist the Board of Education in interpreting such documents
- Make a recommendation to the board to accept the annual audit report
- Review any corrective action plan and assist the Board of Education in the implementation of such plan
- Provide recommendations for the appointment of the internal auditor
- Assist in the oversight of the internal audit function including, but not limited to, the definition of risk management priorities/review of significant findings and recommendations of the internal auditor/monitoring the implementation of such recommendations and the evaluation of the internal audit function

IV. **Responsibilities**

The audit committee shall:

1. At their inception, develop and submit to the Batavia City School District Board of Education a “charter” for the purpose and operation of the committee.
2. Hold regular meetings and report, at public sessions, to the Batavia City School District Board of Education:
 - Significant findings
 - Any indications of suspected fraud, waste, or abuse
 - Significant internal control findings
3. Ensure that the external financial report is annually certified by the accountant and sent to the NYS Commissioner of Education.
4. Direct and communicate the internal audit process on an annual basis.
5. Review and provide input to the Board of Education regarding up-to-date and comprehensive fiscal policies that ensure public funds are properly used, safeguarded and accounted for.

V. **Membership**

The audit committee shall consist of at least three (3) members but not more than five (5) members. At least one (1) Board of Education member, but not more than three (3) Board of Education members may serve on the audit committee. The balance of the audit committee membership will consist of members from the community and all members shall be appointed/reappointed at the annual meeting in July.

The membership duties of the Batavia City School District Audit Committee includes the following:

1. **Good Faith** – Members of the Committee shall perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the Committee and the District with such care as a generally prudent person in a similar position would use under similar circumstances.
2. **Independence** – An individual, other than members of the Board of Education, may not serve on the audit committee constituted as an advisory committee if he or she:
 - Is employed by the district.
 - Currently provides, or within the prior two (2) years, has provided, goods or services to the district.
 - Is an immediate family member (spouse, spouse equivalent or dependent [whether or not related]) or close family member (parent, sibling or nondependent child) of an individual who is an employee, officer or contractor providing goods or services to the district.
 - Is the owner of or has a direct and material interest in a company providing goods or services to the district.
3. **Confidentiality** – During the exercise of the duties and responsibilities, the Committee members may have access to confidential information. The Committee shall have an obligation to the district to maintain the confidentiality of such information.