

**Board of Education  
Niskayuna Central School District  
Audit Committee Charter**

**Audit Committee Authority and Purpose**

The purpose of this charter is to establish an audit committee to assist the Board of Education in the oversight of both the internal and external audit functions, in accordance with Education Law §2116-c and Commissioner's Regulation §170.12. In accordance with Education Law §2116-c (4), the role of the audit committee shall be advisory and any recommendations it provides to the board shall not substitute for any required review and acceptance by the board.

**Mission**

The mission of the audit committee is to provide independent advice, assistance, and recommendations to the board in the oversight of the internal and external audit functions of the district.

**Membership: Composition and Requisite Skills**

The audit committee is comprised of three members of the board and two persons other than members of the board, appointed by resolution of the board.

The committee members collectively should possess the knowledge in accounting, auditing, financial reporting and school district finances needed to understand and evaluate the school district's financial statements, internal controls, the external audit and the internal audit activities.

**Duties and Responsibilities**

The duties and responsibilities of the audit committee include, but are not limited to, the following:

(1) External Audit:

(a) Provide recommendations to the board regarding the selection of the external auditor.

(b) Meet with the external auditor prior to commencement of the audit to, among other things, review the engagement letter.

(c) 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.

(d) Receive and review the draft annual audit report and accompanying draft management letter, including the external auditor's assessment of the district's system of internal controls, and, working directly with the external auditor, assist the board in interpreting such documents.

(e) Make a recommendation to the board on accepting the annual audit report.

(f) Review every corrective action plan developed by the school district and assist the board in the implementation of such plans.

(2) Internal Audit:

(a) Make recommendations to the board regarding the appointment of the internal auditor.

(b) Assist in the oversight of the internal audit function, including reviewing the annual internal audit plan to ensure that high risk areas and key control activities are periodically evaluated and tested, and reviewing the results of internal audit activities.

(c) Review significant recommendations and findings of the internal auditor.

(d) Monitor implementation of the internal auditor's recommendations by management.

(e) Participate in the evaluation of the performance of the internal audit function.

(3) Claims Auditor:

(a) Assist in the oversight of the claims auditor function.

(b) Meet with the claims auditor on a quarterly basis and as needed.

**Meetings and Notification; Minutes; Executive Session**

The audit committee shall meet a minimum of four times each year. An agenda and supporting documents should be prepared and distributed in advance of each meeting. Any member of the board may attend audit committee meetings. The audit

committee shall give notice and prepare minutes of each meeting. The audit committee meetings are open to the public, however, the audit committee may conduct executive sessions, as permitted or required by law.

### **Decision Making Process**

A simple majority of the total membership of the committee shall constitute a quorum and is sufficient to make committee decisions.

### **Reporting Requirements**

The audit committee shall report its activities to the board as needed, but not less than annually. At a minimum the reports shall address or include:

- (1) the scope and breadth of committee activities;
- (2) a summary of the minutes of meetings which record the actions and recommendations of the committee;
- (3) a review of the district's draft annual external audit report and accompanying management letter and the committee's assessment of significant findings;
- (4) any indications of suspected fraud, waste or abuse;
- (5) significant internal control findings;
- (6) activities of the internal audit function; and
- (7) indications of material or significant non-compliance with laws or district policies and regulations.

### **Review of the Charter**

The audit committee shall assess and report to the board on the adequacy of this charter no less than on an annual basis or as necessary.

Charter modifications, as recommended by the audit committee, shall be presented to the board in writing for the board's review and action.

Adopted: November 6, 2006  
Amended: June 10, 2014