

### **Audit Committee**

It is the policy of the Governing Board to establish a district audit committee as a means of enhancing the audit functions, of devoting sufficient attention to audits and financial reporting, and of demonstrating a commitment to the exercise of due care in reviewing audits and financial statements which will be used for management purposes and/or released to the public.

An audit committee shall be appointed by the Board and shall be responsible directly to the Board. Its purpose shall be to assure that the highest level of internal controls are maintained in order to assure that the work of the district is carried out in an efficient and economical manner.

The audit committee shall be comprised of seven members as follows:

1. Three members of the Board, appointed by the president of the Board.
2. Four members of the community whose skills are deemed sufficient by the Board to enable them to carry out their duties effectively. Appointment by the Board shall be pursuant by nomination and election by the Board.

Board members of the audit committee shall be appointed for one-year terms at the meeting following the annual organizational meeting of the Board.

Community members of the audit committee shall be appointed by the Board for four-year terms with a staggered rotation.

Meetings of the audit committee shall be called and conducted by an audit committee chairperson. The chairperson shall be elected by the Audit Committee and shall be a Board-member appointee to the committee. The chairperson will be elected annually.

The audit committee shall carry out its work by monitoring the work of the district's internal and external auditors, by serving as liaison between the district and its internal and external auditors, and by presenting an annual report to the Board on the status and substance of the auditor's work. Members shall have no more than two consecutive, unexcused absences.

The audit committee shall recommend to the Board for their action, the external auditor and the scope of each annual audit.

The audit committee is involved in the selection and replacement, and the regularly scheduled annual session for evaluation of the internal auditor.

The Superintendent shall serve as executive officer to the audit committee and the internal auditor will report administratively to the Superintendent and/or designee and functionally to the audit committee of the Board. The Superintendent and/or designee shall evaluate the internal auditor, with input from the chairperson of the Audit Committee and one community member of the Audit Committee..

The Superintendent shall make available to the audit committee such other district staff as shall be needed to carry out the committee's work. The internal auditor shall be expected to work closely, in a staff capacity, with the committee.

The responsibilities of the audit committee shall include but not be limited to the following:

1. Recommend to the Board for approval the independent auditors.
2. Review the independent audit engagement including the fee, scope and timing of the audit, and any other services to be rendered, including nonaudit services.
3. Review with the independent auditors district policies and procedures regarding internal auditing and internal accounting and financial controls.
4. Upon completion of their audit, review with the independent auditors the cooperation they received from district personnel during the audit, the extent to which district resources could be used to minimize the time spent on the audit, and any significant matters of concern arising from the audit.
5. Review with the independent auditors any significant transactions which are not a normal part of the district's business, any changes in accounting principles and practices, all significant proposed audit adjustments, and any recommendations that they may have for improving internal controls, choice of accounting principles or management systems.
6. Review with the district's financial and accounting staff district policies regarding internal accounting and financial controls.
7. Review and recommend district policies to the Board to prohibit unethical, questionable, or illegal activities by district employees.
8. Review with the internal auditor the organization and independence of the internal audit function; the goals and plans of internal audit including the nature and extent of work; problems and experiences in completing internal audits; and findings, conclusions, and recommendations as a result of internal audits.
9. Upon completion of the independent audit, review with the district's financial and accounting managers their perception of the independent auditors, any significant matters of concern arising from the audit, and the extent to which recommendations made by the independent auditors have been implemented.
10. Prepare quarterly written reports to the Board relating the results of committee activities.

Policy FRESNO UNIFIED SCHOOL DISTRICT

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