

**HANCOCK CENTRAL SCHOOL****Board Committees Regulation – Audit Committee**

These regulations govern the operations of the Audit Committee of the Board of Education. The committee shall review and reassess these regulations at least annually and recommend revisions, as necessary, to the Board of Education. 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 of Education.

*Structure*

1. Committee members and its chairperson shall be appointed selected by the Board of Education.
2. The committee shall comprise of up to two (2) at least one (1), but no more than two (2) members of the Board of Education elected appointed to serve by the Board, and up to three (3) at least one (1), but no more than three (3) community members with financial proficiency and/or knowledge of accounting and auditing functions.
3. Committee members may not be District employees.
4. Committee members shall represent that neither they, no members of their immediate family, have any present or pending business dealings with the District or independent auditor during the school year for which they are serving on the Audit Committee; and shall disclose if they had any business with the District or independent auditor over the preceding three (3) years.
5. The committee shall meet on a regularly scheduled basis (eg. Three times per year.)
6. Notwithstanding any law to the contrary, the Audit Committee shall not be considered a public body when a meeting is conducted.

*Duties and Responsibilities*

## The Audit Committee:

1. Shall provide a forum for free and open communication among the internal auditor, the independent auditors, School District Administration, and members of the Committee,
2. Shall discuss with School District Administration and the independent auditors the independence and integrity of the financial reporting process.
3. Shall request a written representation from the independent auditors regarding their independence.

4. Shall review and appraise the performance of the independent auditors and assist the Board of Education in recommending the selection, rotation, and/or continued retention of the independent auditors.
5. May discuss the scope of the independent auditors' engagement, as delineated in the engagement letter, with the independent auditors and shall assist the Board of Education in evaluating the anticipated fees.
6. Shall consult with the independent auditors to determine if recommendations received in the management letter have been adequately addressed, as well as the existence of significant risks and exposures and, if any, what plans have been initiated to mitigate their effects from the independent auditors for improving the internal control structure have been adequately addressed by School District Administration.
7. Shall inquire about any significant disagreements between School District Administration and the independent auditors and any adjustments not booked in connection with the preparation of the financial statements, and review such matters, if any.
8. Shall, at least annually when requested by the Board of Education, obtain and review a report by the independent auditors describing:
  - The auditors' internal quality-control procedure3s;
  - Any material issues raised by the most recent internal quality-control review or peer review of the auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditors, and any steps taken to deal with such issues; and
  - All relationships between the independent auditors and District.
9. Shall meet with the independent auditors outside the presence of School District Administration at least one time each year.
10. Shall, periodically, and when requested by the Board of Education, report to the Board on the results of Committee activities and the results of the annual audit.
11. Shall propose to the Board of Education amendments to these Regulations as it deems necessary.

With respect to financial reporting, the Audit Committee shall:

12. Review with School District Administration and the independent auditors significant accounting and reporting policies, including recent professional and regulatory standards,
13. Inquire of School District Administration and the independent auditors about significant risks and exposures and, if any, what plans have been initiated to mitigate their effects.
14. Review annual financial statements and ascertain that they appear complete and consistent with information known to the Committee.

15. Assist the Board in determining whether to approve the audited financial statements.

In addition, it shall also be the responsibility of the Audit committee to assist in the oversight of the internal audit function, including, but not limited to, providing recommendations regarding the appointment of the internal auditor for the District, the review of significant findings and recommendations of the internal auditor, monitoring of the District's implementation of such recommendations, and the evaluation of the performance of the internal audit function.

Adopted: 03/13/2017