
AUDIT ADVISORY COMMITTEE

Scope

The Board of Education, having authorized the establishment of an Audit Committee, acknowledging that reliable audits are essential to the credibility of financial reporting by state and local governments, and acknowledging that the audit committee is a practical tool that can be used to enhance the independence of the external auditor and the reliability of the financial statement audit, sets forth this policy regarding the committee's composition and duties.

The Audit Committee may offer suggestions and advice to the board in order to assist it in the decision-making process. The final responsibility for all decisions, however, rests with the Board Of Education alone.

Once the committee has presented its recommendations to the board, the board will report back to the committee on how the recommendations were used and the rationale for their use within sixty (60) days of the annual report given by the committee.

Charge and Role to the Committee

The committee shall provide reviews to assure that the district's financial plans are carried out, financial policies and procedures are observed, assets are accounted for, and records and reports are reliable. In order to do this, the committee shall:

- Make recommendations to the Board of Education on the selection of the district's independent auditor for the annual financial statements.
- Review the annual independent audit of the district's financial statements and participate in the presentation to the Board of Education.
- Review the auditor's management letter and the administration's response to the management letter and present recommendations to the Board of Education.
- Review the results of internal audit reports and make recommendations to the Board of Education as needed.
- Review the results of operational audits and make recommendations to the Board of Education as needed.
- Review and make recommendations regarding other financial matters as tasked by the Board of Education.
- Present an annual report to the Board Of Education and administration of how the committee discharged its duties and met its responsibilities during an April regular Board meeting.

The Committee, in its role as an agent of the District and the Board, shall maintain the confidentiality of any confidential District financial information, student information or other confidential records, except to the extent disclosure is required by law or authorized by the District.

Committee Composition

The committee shall be comprised of from five to seven members and shall include, at a minimum, the Board Treasurer, who shall be the chairman, a member with financial experience from the local community, and a District Accountability Advisory Committee (DAAC) member appointed by the DAAC Executive Committee. If the Board Treasurer is not a board member, one board member, approved by the Board, shall be included in the committee membership. The chairman, in coordination with the Board member on the committee and the primary liaison, will be the primary focal point for communications with the Board.

The term of membership on the Audit Advisory Committee will be one year and may be renewed. The committee chair will forward recommendations for membership to the Board Of Education, in time for approval, by the end of June of each year. The membership year will be from July 1 to June 30.

The district's Chief Financial Officer, Director of Fiscal Services, and Director of Research and Evaluation (or designees) shall serve as administrative liaisons to the committee, with the Chief Financial Officer being primary. The administrative liaisons will provide the communications and control link between the Administration and the committee. The committee will work with and through the liaison. The liaison will:

1. Provide guidance
 - a. For the organization of the committee including membership, orientation, development of a charge and by-laws or operating procedures
 - b. On district policy and procedures pertaining to the committee's work

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2. Guide the development of work plans
3. Insure that the committee has the resources needed to perform its charge
4. Coordinate the committee's work with other advisory and staff groups as needed
5. Assist the chairman in the development of agendas for meetings.

In no instance shall the Assistant Treasurer assume the Board Treasurer's role on the audit committee if the Assistant Treasurer is an employee of the district.

Adopted November 2005

LEGAL REF.: C.R.S. 22-7-104
C.R.S. 22-32-110 (3)
C.R.S. 24-6-402

CROSS REF.: BDF Advisory Committees
DI Fiscal Accounting and Reporting
DIE Audits/Financial Monitoring
BDA Organization of the Board of Education