

AUDIT COMMITTEE

General Purpose

The Audit Committee is commissioned by and responsible to the Board of Directors. It has the responsibility to provide independent advice, assistance, and recommendations to the Board of Directors in the oversight of the internal and external audit functions of the school.

Appointments and Composition

1. The chair of the Audit Committee shall be a member of the Board.
2. At least two board members and up to three members of the school community that are not paid staff shall be members of the Audit Committee.
3. Committee members who are not board Directors shall sign a nondisclosure agreement.
4. All appointments of committee members are subject to the conditions stated in the by-laws.
5. Members of the Audit Committee shall have a background in financial management, accounting, audit, or other relevant experience.

Responsibilities

1. External Audit Focus

- a. Provide recommendations 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 entity'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 entity's system of internal controls, and, working directly with the external auditor, assist the governing body in interpreting such documents.
- e. Make a recommendation to the governing body on accepting the annual audit report.
- f. Review all corrective action suggestions, recommend a plan for improvement and assist the governing body in the implementation of such plans.

2. Internal Audit Focus

- a. Create and maintain a hotline for fraud and misconduct allegations.
- b. Investigate fraud/misconduct claims submitted to the hotline.

- c. Recommend resolutions and actions to take for all allegations.
 - d. Review and update codes of conduct for staff and board members
3. Administrative Matters
- a. Hold regularly scheduled quarterly meetings.
 - b. Hold special meetings as needed to review or investigation allegations of fraud or misconduct.
 - c. Review and revise the Audit Committee Policy, as necessary.

Approved: