

FINANCE AND AUDIT REVIEW ADVISORY COMMITTEE

STATEMENT OF PURPOSE

To involve the public in the school system financial audit process, the Washington County Board of Education has created a standing Board advisory committee, the Finance and Audit Review Advisory Committee. This committee shall be comprised of representative parents, businesspersons, and community leaders who are interested in reviewing the financial audits of the school system.

THE COMMITTEE OBJECTIVES

1. Review the annual report of the Board's independent auditor and the staff's response to the recommendations therein. Review the actions that management plans to take in response to the audit exceptions, findings, and recommendations, including those in the Management Letter. Advise the Board if these actions are deemed appropriate and adequate.
2. Review the implementation status of all action plans to address audit recommendations to which the Washington County Board of Education has agreed. Report these findings to the Board as needed.
3. Review and recommend any requests for proposals (RFP) created by staff for independent audit services and recommend the selection of the independent audit firm from those responding to the RFP.
4. Participate in the screening for the system's Internal Auditor position.
5. Review quarterly financial statements from the Chief Financial Officer and the Superintendent and report any significant financial events or risks (actual, anticipated, or potential) to the Board.
6. Determine that the Washington County Board of Education's policies and internal controls, as reported in independent audit reports, are adequate and that they conform to the Annotated Code, COMAR, and accounting principles generally accepted in the United States of America. The voting members of the Finance and Audit Review Advisory Committee may meet with the independent auditor.

MEMBERSHIP SPECIFICATIONS

The Board of Education shall appoint the members of the Finance and Audit Review Advisory Committee. Membership on the Finance and Audit Review Advisory Committee shall be limited to no more than six (6) members of the community. The primary consideration for appointments shall be financial review experience or auditing background.

The Chief Financial Officer shall serve as an ex-officio non-voting member of the Committee.

TERMS OF OFFICE

1. Individuals may be appointed to a term of office of up to five (5) years.
2. The terms of office may be staggered to allow for the rotation of up to 1/2 of the membership of the Committee every five (5) years.
3. No individual shall be appointed to serve for more than two (2) consecutive terms on the Committee unless specifically exempted by the Board. Reappointment to a second term is not automatic.

OPERATIONS SPECIFICATIONS

1. Minutes of each Committee meeting shall be kept and forwarded promptly by the staff liaison to the Board and the Superintendent.
2. The Committee will report to the Board at the following times:
 - a. Annually after review of the school system's audited financial statements and A-133 Single Audit.
 - b. To recommend the selection of a particular independent CPA firm to audit the Board of Education financial records in response to an RFP.

- c. As requested by the Board.
3. Reports to the Board shall include the following, as appropriate:
- a. Results of audit-related reviews, and
 - b. Any recommendations.