

FINANCE AND AUDIT REVIEW ADVISORY COMMITTEE

STATEMENT OF PURPOSE

To involve the public in the school system financial audit process, the Board of Education has created a standing Board of Education advisory committee, the Finance and Audit Review Advisory Committee ("Committee"). The Committee shall be comprised of representative parents, businesspersons, and community leaders who are interested in reviewing the financial audits of the school system and who have expertise in governmental accounting and reporting. The Finance and Audit Review Advisory Committee serves as an advisory committee to the Board of Education.

THE CHARGE TO THE FINANCE AND AUDIT REVIEW ADVISORY COMMITTEE

1. Review the annual report of the Board of Education'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 of Education if these actions are deemed appropriate and adequate.
2. Review the implementation status of all action plans to address audit recommendations to which the Board of Education has agreed. Report these findings to the Board of Education as needed.
3. Review and provide recommendations, as deemed necessary, relative to 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 of Education.
6. Determine that the Board of Education's policies and internal controls, as reported in independent audit reports, are adequate and that they conform to the *Annotated Code of Maryland*, *Code of Maryland Administrative Regulations*, 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 members of the Finance and Audit Review Advisory Committee shall be appointed by the Board of Education. 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.

OPERATIONS SPECIFICATIONS

1. The Committee will report to the Board of Education 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's financial records in response to an RFP.
 - c. As requested by the Board of Education.
2. Reports to the Board of Education shall include the following, as appropriate:
 - a. Results of audit-related reviews.
 - b. Any recommendations.