

CHAPTER 1 - ADMINISTRATION

1.07 SCHOOL BOARD COMMITTEES

- (1) Committees may be formed and members be appointed by the Board when deemed necessary or desirable. The duties of any such committee shall be outlined at the time of its formation; except for standing committees or as otherwise indicated by the Board, committees shall be automatically dissolved when the Board accepts a committee's final report. Each Board Member shall be notified of all committee meetings, but shall have no vote on any committee unless the member is serving as a committee member. All meetings of Board committees shall be advertised in accordance with Government-in-the-Sunshine and open to the public.
- (2) Audit Committee

The Board does hereby establish the Audit Committee as a standing committee of the Board. The purpose, makeup, authority and responsibilities of this committee shall be contained in a separate document entitled "Charter for the Audit Committee" hereby incorporated as a rule by reference. Said Charter follows:

**CHARTER FOR THE
AUDIT COMMITTEE
SCHOOL DISTRICT OF ESCAMBIA COUNTY
ADOPTED APRIL 29, 1999**

(Amended March 20, 2001; January 21, 2003; September 23, 2003; October 21, 2003)

INTRODUCTION

The Superintendent of Schools and top management are responsible for the effective and efficient administration of the District. This responsibility encompasses the requirements for sound financial management, adequate reporting, maintaining an effective system of internal controls, compliance with applicable rules and regulations, and maintaining the highest standards of ethical conduct. The Board directs the Superintendent in these matters through adoption of the budget and establishing Board policy. To aid in fulfilling these requirements, the Board has established an Internal Auditing Department. The Department's activities serve as an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The objective of the Internal Auditing Department is to assist the Superintendent and the Board in the effective discharge of their responsibilities identified above. The Internal Auditing Department, through its work, provides the Superintendent, his top management, and the Board with analysis, appraisals, recommendations, advice, and other information concerning the activities reviewed. In this way, the Internal Auditing Department is viewed as an asset to the District it serves. To effectively utilize this valuable resource, the Board does hereby establish this Audit Committee.

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PURPOSE AND AUTHORITY

The purpose of the Audit Committee (referred hereinafter as Committee) is to promote, maintain, and enhance the independence and objectivity of the internal auditing function of the District by ensuring broad audit coverage, adequate consideration of audit/review reports, and appropriate action on recommendations. The Committee also serves to reduce the risk of both internal and external influences that might otherwise impair the independence and objectivity of the Internal Auditing Department. The Internal Auditing Department shall report to the Board through the Committee which shall act as the designee for the Board.

MEMBERSHIP

The Committee shall be comprised of five (5) members consisting of the Superintendent's designee, one member appointed by the Board, one member from the Escambia County Council of PTA, one member from the Northwest Florida Chapter of the Institute of Internal Auditors, Inc., and a member at large. All committee members shall be business professionals.

The Superintendent shall appoint his/her designee. The Board appointee shall be elected and agreed upon by a majority of the Board. The Escambia County Council of PTA member and the Institute of Internal Auditors member shall be appointed by their respective boards. The Chair and Vice Chair of the Committee shall be nominated and elected annually by the Committee as a whole. Should a vacancy occur in the Chair or Vice Chair, the Committee may appoint an interim Chair or interim Vice Chair until such time as a Chair or Vice Chair is nominated and elected by the Committee as set forth above. The Chair shall possess sufficient technical expertise and/or experience to fulfill his/her duties as Chair. All members shall provide their time and services without compensation.

REQUIREMENTS OF MEMBERSHIP

Committee members must possess an independence of mental attitude and an earnest desire to act as a positive force in fulfilling their responsibilities to the Board. In addition, appointees to the Committee shall possess a professional background in accounting or auditing such that the Committee shall represent a balance of those skills and qualities desired. No Committee member may be an employee of the District. Members shall adhere to the HA Code of Ethics. Members must be able to satisfy the time commitments for effective participation on the Committee. All Committee members shall be residents of or work in Escambia County, Florida at the time of appointment.

TERMS OF MEMBERSHIP

Members shall serve a three (3) year term from the time of appointment; the exception being the Superintendent's appointee who may only serve so long as he/she holds office. Committee members may serve consecutive terms. A member shall be removed for failure to attend two (2) consecutive meetings without just cause, or to perform assigned duties.

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Vacancies shall be filled within thirty (30) days by the respective appointing organizations/person where indicated and shall serve the remainder of that term.

REQUIRED MEETINGS

The Committee shall meet a minimum of four (4) times a year. Additional meetings may be called as necessary to further the business of the Committee. One meeting shall be held in the spring of each year to review the budget and annual work plan for the Internal Auditing Department. Meetings must have a quorum (three) to conduct business. The Chair or Vice Chair and Director of Internal Auditing shall be present at all meetings. The time and place shall be determined by the Committee. All meetings shall be advertised in accordance with Government-in-the-Sunshine and open to the public.

MINUTES

Minutes will be maintained by the Internal Auditing Department. All documents, in any format, produced by the Committee shall be maintained as a public record where not specifically exempt. In accordance with F.S. 119.0713(2), audit reports and all work papers and notes relating to them are public record once published.

DUTIES AND RESPONSIBILITIES

Approve Internal Audit Charter

To promote independence and objectivity, the functioning and reporting frameworks within which the Internal Auditing Department operates shall be incorporated in its Charter. In fulfilling its oversight responsibility, the Committee shall review and approve the Charter for the department. Nothing in the Charter shall serve to restrict or impede the relationship between the Internal Auditing Department and the Superintendent.

Appointment, Removal, and Contract Renewal of Internal Auditing Director and Staff

The appointment, removal, or contract renewal of the Director of Internal Auditing shall be based on a non-binding recommendation of the Committee subject to confirmation by the Board. The Director of Internal Auditing shall make recommendations for the appointment or contract renewal of staff members of the Internal Auditing Department to the Audit Committee. The Audit Committee shall then make a non-binding recommendation to the Board.

Review and Approve Work Plan

The Committee shall require the Internal Auditing Department to conduct a periodic district wide risk assessment as a means of setting the long range work plan. The assessment shall involve the Board, Superintendent, and top management. The Committee shall review and approve the long range work plan of the Internal Auditing Department as

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well as the annual work plan. The annual work plan, once approved, may only be modified upon Committee approval.

Review and Recommend Budget

To provide for adequate resources needed in carrying out its responsibilities, the Committee shall review and recommend to the Board the annual budget for the Internal Auditing Department. The budget shall make adequate provision for staffing of the department including salaries and benefits. Adequate provision for staff development shall also be provided to maintain the highest professional standards for the department and for the use of outside resources when such professional services are deemed necessary by the Internal Auditing Department Head.

Superintendent and Internal Auditing Department

The Committee should ensure that the review and approval of the annual work plan and budget not serve to restrict or impede the Superintendent from utilizing the services of the Internal Auditing Department for reviews or special studies that may be required in the discharge of his/hers duties and responsibilities as defined in F.S. 1001.32(3).

Review Audit Reports

Prior to presentation to the Board, the Committee shall review all findings, audit reports, or reviews issued by the Internal Auditing Department and make recommendations, where appropriate, for clarity, tone and technical matters. In addition, the Committee shall review the status of action taken on prior recommendations. Such work/reports are not final until presented to the Committee.

Other Projects

The Committee may from time to time request the Internal Auditing Department to perform special studies or investigations when deemed necessary.

Quality Assurance Reviews

The Committee shall direct that quality assurance reviews be conducted every five years to assure the Board and the Superintendent that the internal auditing activities conform to the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

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Statutory Authority: Sections 218.391; 1001.32; 1001.42(12)(L); 1001.43; 1010.30; 1010.33, F.S.

Law Implemented: Sections 218.391; 1001.32; 1001.42(12)(L); 1001.43; 1010.30; 1010.33, F.S.

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