Citizens’ Finance and Audit Committee

Authority
The Citizens’ Finance and Audit Committee is organized as a permanent citizens’ committee with members who are experts in finance and internal controls. The Committee shall be composed of two board directors, the superintendent and a minimum of three citizens.

The Citizens’ Finance and Audit Committee provides direct advice and assistance to the board and superintendent. The Committee strengthens the position of the internal audit department, giving the internal auditor access to the board. The Committee facilitates high level interest in and concern for all financial control measures used within the district to protect its assets and assure the reliability of financial data. The Committee offers an independent perspective and review of financial decision-making, reporting and internal control.

Responsibilities
The primary responsibilities of the Committee involve assisting the board and superintendent in carrying out their responsibilities related to the district’s financial planning, internal controls, and financial reporting practices. The Committee shall establish and maintain lines of communication between the board and the external auditors, internal auditors and financial management.

The Committee shall periodically review the internal audit charter, a board-approved document which states the internal audit department’s purpose, authority and responsibility. To help ensure independence, the internal auditor shall have direct communication with the Committee. The internal auditor shall attend Committee meetings and meet privately with the Committee at least annually.

Functions of the Advisory Committee
The Citizens’ Finance and Audit Committee shall perform the following functions:

Audit Responsibilities:
1. External audits
   a. Review the scope and timing of audit work.
   b. Review findings, recommendations and management responses.
   c. Make recommendations to the board.

2. Internal audits
   a. Review organization and independence.
   b. Review goals and plans, including nature and extent of work.
   c. Review internal audit activities and results.
   d. Review the internal audit department risk assessment.
   e. Review efficiency and effectiveness of internal controls.
Financial Operations Review

1. Financial Reporting
   a. Review district’s financial statements and operating results.
   b. Review changes to accounting principles and practices followed by the district.

2. Systems and Controls
   a. Review controls and processes implemented by management relating to financial statements and underlying financial systems.
   b. Review the adequacy and effectiveness of accounting and financial controls and recommend improvements.

Financial Planning

1. Operating Budget:
   a. Review the recommended annual budget balancing plan for the general operating fund.
   b. Review long-range planning activities.
   c. Review projected operating reserves including any changes to the strategic programs and financial policies.

2. Capital Planning
   a. Review long-range financial plan for capital levies and bond issue proposals.
   b. Review debt analysis, financial analysis, and economic analysis related to the district when planning the issuance of debt (e.g., general obligation bonds, etc.).

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