**Audit Committee Charter**

**Lansing Central School District**

1. **Audit Committee Authority**

The Board of Education of the Lansing Central School District has established an audit committee to assist the Board of Education in the oversight of both the internal and external audit functions. The requirement to create an audit committee was established by Education Law §2116-c. In accordance with Education Law §2116-c (4), the role of an audit committee shall be advisory and any recommendations it provides to the Board shall not be substituted for any required review and acceptance by the Board of Education.

1. **Mission**

The Board of Education of the Lansing Central School District has established an audit committee to provide independent advice, assistance, and recommendations to the Board in the oversight of the internal and external audit functions of the district*.*

1. **Composition and Requisite Skills**

The composition of the Lansing Central School District Audit Committee shall be determined annually and consist of five (5) persons selected by the Board of Education, the members of which shall possess the knowledge in accounting, auditing, financial reporting and school district finances needed to understand and evaluate the school district’s financial statements, the external audit and the district’s internal audit activities.

1. **Duties and Responsibilities**

The duties and responsibilities of the Lansing Central School District Audit Committee include the following:

* 1. **External Audit Focus** 
     + Provide recommendations regarding the selection of the external auditor to the Board of Education.
     + Meet with the external auditor prior to commencement of the auditto, among other things, review the engagement letter.
     + Review and discuss with the external auditor any risk assessment of the district’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.
     + Receive and review the draft annual audit report and accompanying draftmanagement letter, including the external auditor’s assessment of the district’s system of internal controls, and, working directly with the external auditor, assist the Board of Education in interpreting such documents.
     + Review every corrective action plan developed by the school district and assist the Board of Education in the implementation of such plans.

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**Audit Committee Charter (continued)**

* 1. **Internal Audit Focus** 
     + Make recommendations to the Board of Education regarding the appointment of the internal claims auditor.
     + Make recommendations to the Board of Education regarding the appointment of an internal auditor or the selection of an independent contractor to perform an annual internal audit.
     + Assist in the oversight of the internal audit function, including reviewing the annual internal audit plan to ensure that high risk areas and key control activities are periodically evaluated and tested, and reviewing the results of internal audit activities.
     + Review significant recommendations and findings of the internal auditor.
     + Monitor implementation of the internal auditor’s recommendationsby management.
     + Participate in the evaluation of the performance of the internal audit function*.*
  2. **Administrative Matters** 
     + Hold regularly scheduled meetings.
     + Annually the Audit Committee should elect a chair by majority vote of its members to insure proper functioning of the committee according to its charter.
     + The chair together with the Board of Education President should schedule Audit committee meeting and insure proper reporting to the full board of education according to the charter.

1. **Membership Duties**

The membership duties of the Lansing Central School District Audit Committee include the following:

* 1. **Good Faith –** Members of the Committee shall perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the Committee and the District with such care as a generally prudent person in a similar position would use under similar circumstances. All members of the committee shall disclose any known conflict of interest upon appointment to the committee.
  2. **Independence** – An individual, other than members of the Board of Education, may not serve on an audit committee constituted as an advisory committee if he or she:
     + Is employed by the district.
     + Currently provides, or within the prior two years, has provided, goods or services to the district.
     + Is an immediate family member (spouse, spouse equivalent or dependent [whether or not related]) or close family member (parent, sibling or nondependent child) of an individual who is an employee, officer or contractor providing services to the district.
     + Is the owner of or has a direct and material interest in a company providing goods or services to the district.

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**Audit Committee Charter (continued)**

* 1. **Confidentiality** – During the exercise of duties and responsibilities, the Committee members may have access to confidential information. The Committee shall have an obligation to the district to maintain the confidentiality of such information.

1. **Meetings and Notification** 
   1. The Lansing Central School District Audit Committee shall meet a minimum of 4 times each year. An agenda of each meeting should be clearly determined in advance and the Audit Committee should receive supporting documents in advance, for reasonable review and consideration. A quorum of 60% of the full membership of the committee shall be the minimum for an official meeting of the committee.
   2. The Audit Committee shall give notice and prepare minutes of each meeting. At a minimum, the minutes will include the following:
      * The meeting agenda
      * Date, attendance and location of the meeting
      * Except as otherwise provided by law in connection with executive sessions, summaries of the topics discussed, and all motions, proposals, resolutions and any other matter formally voted upon and the vote thereon, including recommendations agreed to by the committee.
      * As appropriate, copies of materials discussed or presented at the meeting.
2. **Decision-Making Process**

All decisions shall be reached by vote of a simple majority of the total membership of the committee. A quorum constitutes a 60 percent of the full membership of the committee and meetings will not be conducted unless a quorum is present.

1. **Reporting Requirements**

The Lansing Central School District Audit Committee has the duty and responsibility to report its activities to the Board of Education as needed, but not less than annually. Periodic written reports of Audit Committee activities are an important communication link between the Audit Committee and the Board on key decisions and responsibilities. The Audit Committee’s reporting requirements are to:

* Report on the scope and breadth of committee activities so that the Board of Education is kept informed of its work.
* Provide minutes or a summary of minutes of meetings which clearly record the actions and recommendations of the Committee.
* Report on their review of the District’s draft annual audit report and accompanying management letter and their review of significant findings.
* Report on suspected fraud, waste or abuse, or significant internal control findings and activities of the internal control function.
* Report on indications of material or significant non-compliances with laws or District policies and regulations.
* Report on any other matters that the committee believes should be disclosed to the Board of Education.

1. **Procedure for Reporting Misconduct**
   1. The names, addresses and telephone numbers of the audit committee members should be published on Lansing Central District's website, in periodic publications and in the annual report.
   2. The LCSD employees and the public should be encouraged to report any observations of financial or other misconduct to a member of the audit committee that they feel uncomfortable reporting to the Superintendent of the Lansing Central School District.
2. **Review of the Charter**

The Lansing Central School District Audit Committee shall assess and report to the Board of Education on the adequacy of this Charter no less than an annual basis or as necessary. Charter modifications, as recommended by the Audit Committee, should be presented to the Board of Education in writing for their review and action.

Board Approved: October 25, 2010