

## **Internal Audit Committee - WCSD 9-15-2006**

### **Charge:**

To perform financial analysis functions that provides the Warren County School District Board of Directors confidence and additional tools to assist them in fulfilling their fiduciary duty to the taxpayers of Warren County by establishing an internal audit system.

### **Purpose of the Internal Audit Committee:**

The Internal Audit Committee will serve in an oversight & advisory capacity to the Business Administrators Office of the Warren County School District to perform periodic review of financial processes and procedures to ensure professional, effective, and efficient departmental functionality. In addition, the committee will assess current policy & procedure and may recommend improvements or enhancements to existing protocol.

**Committee Membership:** The Committee is to include three members; one may be a board member. Committee terms should be rotating. Financial experience preferred.

### **Duties and Responsibilities:**

Under leadership of the Committee Chairperson, the Committee will perform a quarterly review the following activities and operations of administrative and financial functions:

#### **Assure Compliance with:**

**Purchasing policy and procedures:** requisitions, purchase orders, adherence to bidding procedures, etc.

**Statutory requirements:** of Local, State and Federal Government entities, as it relates to Compensation, Contracts, reporting function, compliance.

**Budgeting process obligations**

**Approval policy and procedures, appropriately applied:**

Compensation, PTO, check requests, reimbursements, expenditure disbursements, budget transfers, etc. Approvals follow appropriate guidelines and chain of command.

**Assure:**

Efficient and proper paper-flow, appropriate document retention

**Review of Business and Financial Risk**

Risk Management

The Committee will provide assurance services by performing an independent assessment of the soundness of risk management strategies and practices.

**Review of Other Financial Activities** as deemed appropriate

**Auditing Techniques**

Auditing techniques should BE performed in a manner consistent with those mandated by the AICPA (American Institute of Certified Public) Accountants and GAAS (Generally Accepted Auditing Standards Board). Those Techniques are to include random sampling, account analysis, and the application of materiality parameters.

**Frequency**

The Internal Audit Committee will perform their audits at a minimum once quarterly and at a maximum once monthly, or as needed; to be determined at the discretion of the Finance Committee.

**Report Findings:**

Recommendations of internal audit results will be reported to the Business Administrator for review and response. These results should include recommendations for enhancements and establishing management action plans that respond to internal audit observations. The Business Administrator will share the findings with the Finance Committee along with the Business Administrators responses and observations.