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		Implemented	8/11/1999
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Administrative Regulation

1. Purpose

Audit committees are an integral element of public accountability and governance. Therefore, the Superintendent of Schools shall establish an Audit Committee to oversee various audits in the Carroll County public school system. The Audit Committee, hereinafter known as the "Committee", shall operate under the following procedures.


2. Scope

I. Composition of the Committee

- A. The Committee shall consist of seven (7) members recommended by the Superintendent of Schools and approved by the Board of Education.
- B. The seven (7) members shall be comprised of one (1) representative from the elected Board of Education, the Superintendent of Schools/designee and five (5) community members-at-large recommended to the Board by the Superintendent. The Superintendent/designee and the Board of Education member are ex-official members and do not have a vote and are excluded from chairing the Committee.
- C. A majority of the five (5) community members of the Committee shall constitute a quorum for any action by the Committee. Three (3) votes are required to pass a motion, regardless of the number of members in attendance.
- D. Committee members shall be appointed to serve a three-year term, effective January 1st of each year. During the initial year of operation, two (2) community committee members-at-large shall be appointed for a two-year term. At the conclusion of a member's three-year term, each member will take a one (1) year break in service prior to an appointment of another three-year term.
- E. The Superintendent will recommend community members-at-large that ensure a mix of financial, legal, and other relevant business talent.
- F. Prior to serving, each community member-at-large must:
 1. Be at least eighteen (18) years of age;
 2. Be a U. S. citizen;
 3. Be a resident of Carroll County;
 4. Not hold, or be a candidate for, any elected or appointed office;

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5. Not be employed by the Board of Education, employed by a business entity subject to the authority of the Board of Education, or the spouse or dependent of such person;
 6. Not be a registered lobbyist for any business entity in the State that may create a conflict of interest;
 7. Not be a current student of Carroll County Public Schools.
 8. Not hold any outside employment relationship that would impair their impartiality or independence of judgment; and,
 9. Be subject to the provisions of the Board's Ethics Policy and sign the Board's financial disclosure statement.
- G. The Superintendent may recommend the removal of a committee member-at-large to the Board of Education if, during the member's term, the member becomes disqualified for any of the reasons listed in F (above) or, in the opinion of the Board's Ethics Panel, circumstances exist that create a conflict of interest. Upon removal, the Superintendent will recommend a qualified replacement to the Board to serve the duration of the unexpired term.
- H. The Board's attorney may assist the Committee in carrying out its responsibilities. In cases where the Committee concludes that assistance by the Board's attorney may create a conflict of interest or the appearance of a conflict of interest, and in cases where the Board's attorney disqualifies himself/herself because of a possible conflict of interest, the Committee may request permission from the Board to retain a different attorney to provide legal advice to the Committee. The Board will pay any associated legal costs.
- I. Members of the Committee will not receive compensation for their services. They will, however, be reimbursed for reasonable and customary expenses incurred in the discharge of their official duties.
- J. The Superintendent shall assign staff to provide administrative support to the Committee if requested.
- K. The members of the Committee shall be insulated by the defense of sovereign immunity as provided by the laws of the State of Maryland.
- L. In accordance with Maryland law, the Board shall provide the Committee and each of its members with comprehensive liability insurance coverage for any personal or joint civil liability action arising out of and in the course of the performance of their duties.

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M. The Committee shall meet at least quarterly, but more often if desired or necessary, to discharge its responsibilities. The Chair of the Committee is responsible for the logistics of convening meetings.

II. Structure of the Committee

- A. The lead auditor for the Carroll County Public Schools shall provide reports to both the Superintendent of Schools and the Chair of the Committee independently.
- B. The lead auditor shall apprise the Committee of any significant non-curricular administrative operational, financial and/or regulatory issues currently being faced by the school system.
- C. The Superintendent and the Committee may direct the work of the Carroll County Public Schools' audit department and are responsible for evaluating that work.
- D. ~~The Director of Research and Accountability~~ CHIEF FINANCIAL OFFICER is responsible for the administrative supervision of the lead auditor, such as approval of leave and other employment-related areas.
- E. The Committee Chair is responsible for external communication regarding the committee's work.
- F. The Committee shall have no power to act on behalf of the Board of Education, but may present recommendations to the Board for action.


3. Prerequisites

N/A

4. Responsibilities

The Committee shall:

- A. Elect a chairperson from its community-at-large members annually.
- B. Maintain independence from the school system during the performance of their duties.
- C. Respect the confidentiality of administrative sessions with management, external or internal auditors.

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- D. Develop a charter that states its mission, objectives, and methodology.
- E. Review any serious difficulties or disputes with management encountered during the course of audits.
- F. Review and assess the internal audit plan.
- G. Monitor the independence and performance of both internal and external auditors.
- H. Review the integrity of the Carroll County Public Schools' system of internal controls regarding finance, accounting and use of assets.
- I. Communicate expectations to external and internal auditors, staff, and the Board of Education.
- J. Be open to outside communication to school system stakeholders.
- K. Annually review the administrative regulations governing the operations of the committee and advise the superintendent of any recommended revisions.

5. Procedure

External Audits

- a. With the exclusion of the legally required annual financial audit of the school system, the lead auditor is the school system's primary contact for all audits. The primary school system contact for the legally required annual financial audit is the school system's Chief Financial Officer.
- b. The lead auditor shall provide information to the Committee regarding the audit's progress, draft results, and staff responses. The lead auditor, in collaboration with the Committee Chair, facilitates the transmission of any requested communication between the Committee and the external auditors. The Chief Financial Officer facilitates the transmission of any requested information or communication regarding the annual financial audit of the school system.
- c. The Committee has access to any and all documents exchanged between the school system and the external auditors.
- d. The Committee shall receive a copy of all draft and final audit reports received by the school system.

Internal Audits

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- a. The lead auditor shall develop an audit work plan subject to approval by the Committee.
- b. The lead auditor shall provide information to the Committee regarding the audit's progress, draft results, staff responses and recommendations as a result of the audit.

6. References

BOARD POLICY CN – INTERNAL AUDIT

7. Definitions

NONE