

BOARD INTERNAL ORGANIZATION
INTERNAL COMMITTEES

BDB
(LOCAL)

STUDY SESSIONS	The Board, meeting in a study session, shall review matters pending before special or standing committees that pertain to the business and educational policies of the District.
SPECIAL COMMITTEES	The President shall appoint members to special committees created by the Board to fulfill specific assignments, unless otherwise provided by Board action. These committees may include District personnel and citizens. The function of committees shall be fact-finding, deliberative, and advisory, but not administrative. Special and standing committees shall report their findings to the Board and shall be dissolved upon completion of the assigned task or vote of the Board.
BUDGET COMMITTEE	<p>The budget committee is a committee of the whole.</p> <p>The budget committee shall oversee the adoption and filing of a budget in accordance with Board policy [see CE(LOCAL)].</p>
AUDIT COMMITTEE	<p>The Board audit committee shall be composed of three Board members, upon nomination and vote of the Board. The chairperson shall be determined by the committee members. <u>A fourth Board member shall be approved by the Board as an Alternate Member and shall have full voting rights in the absence of one of the Audit Committee members. The Audit Committee shall have the ability to obtain assistance in its oversight duties from the community by appointing non-voting Advisory members. Advisory members shall either be a Certified Public Accountant (CPA) and/or a Certified Internal Auditor; at least one Advisory member must be a CPA. Each member shall have substantial experience and demonstrated expertise in one or more of the following, with substantial professional experience, including auditing:</u></p> <ul style="list-style-type: none">➤ <u>Risk management relating to internal controls</u>➤ <u>Organizational strategy development</u>➤ <u>Scrutinizing the performance of management in meeting goals and objectives</u>➤ <u>Review of financial statement information and/or risk management</u>
PURPOSE	The purpose of the Board audit committee is to assist the Board in fulfilling its oversight responsibilities regarding internal and external audits, the system of internal controls, and the District's process for monitoring compliance with law and regulations.
TERM OF OFFICE	The term of office for each Board audit committee member shall be two years. Members' terms shall be staggered to minimize the impact of the member turnover. Initially, one member shall be selected for a one-year term and two members shall be selected for a two-year term. The Board President shall establish the initial terms of office for all members.

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- MEETINGS** The Board audit committee shall meet at least twice annually with authority to convene additional meetings as circumstances require. The chairperson shall determine the date, hour, and place of the meetings. Meetings shall be posted and conducted in accordance with the Texas Open Meetings Law and *Robert's Rules of Order*.
- RESPONSIBILITIES** The audit committee's responsibilities related to internal audits include:
- INTERNAL
AUDITS**
1. Reviewing and recommending to the Board approval of the annual internal audit department charter, the annual internal audit plan, and major changes to the plan.
 2. Receiving communications from the chief internal auditor on the results of internal audit activities or other matters that the chief internal auditor determines are necessary.
 3. Meeting separately with the chief internal auditor and the Superintendent to discuss any matters that the committee or the chief internal auditor believes should be discussed in accordance with executive session provisions of the Texas Open Meetings Law. [See BEC]
 4. Making recommendations to the Board regarding the appointment or removal of the chief internal auditor.
 5. Evaluating the chief internal auditor's performance.
 6. Reviewing the adequacy of the internal audit budget in relation to planned activities.
 7. Monitoring implementation of internal audit recommendations.
- EXTERNAL
AUDITS**
- The audit committee's responsibilities related to external audits include:
1. Participating in the selection of the independent auditing firm.
 2. Arranging for an annual audit of the District's fiscal accounts in accordance with Board policy.
 3. Reviewing the external auditor's proposed scope and approach, including coordination of audit effort with the internal audit.
 4. Reviewing the performance of the external auditors.
 5. Meeting with the external auditors to discuss the audit results.
 6. Monitoring implementation of external audit recommendations.

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OTHER DUTIES	<p>The audit committee shall review all planned reviews, audits, and examinations conducted by regulatory agencies, management consultants, and auditors in order to help preclude duplication of work by the internal audit department.</p> <p>The audit committee shall review the findings of any reviews, audits, and examinations by regulatory agencies, management consultants, and any auditors.</p> <p>The audit committee shall annually review and assess the adequacy of this policy, requesting Board approval for any proposed changes.</p>
EX OFFICIO MEMBERS	<p>The Superintendent shall be an ex officio member of all Board committees, unless otherwise provided by Board action. In addition, the chief internal auditor shall be an ex officio member of the audit committee.</p>
TRANSACTING BUSINESS	<p>Committees may transact business only within specific authority granted by the Board. To be binding, the committee chairperson shall report all such business to the Board for approval and entry into the minutes as a public record.</p>