Clark County School District
Audit Advisory Committee Bylaws and Calendar

Role

The Clark County School District (District) Board of Trustees (Board) formed the Audit Advisory Committee (Committee) to advise the Board in the following areas:

- Strengthening accountability for the stewardship and efficient use of public funds
- Providing a communication link between the external and internal auditors and the Board
- Enhancing transparency of the District's financial operations
- Improving public trust in the honesty and integrity of its public officials

Membership

The membership of the Committee shall consist of 1 Board liaison and 5 Community members who shall be appointed by the Board of Trustees. Committee members shall serve without compensation for renewable staggered two-year terms. Terms will begin on July 1 of each year. The Committee chairperson shall be appointed by the Committee on an annual basis and will not serve more than a two-year consecutive term. The Board may remove Committee members at any time or without cause.

In order to stagger terms of service after the first two-years of the Committee's existence, and if none or only one of the charter members opt to resign from the Committee, members who wish to continue serving will be asked to commit to either a one- or two-year extension of service. If two or three of the five members volunteer for one additional year only, then staggered terms will commence upon the expiration of their service. If no Committee members volunteer for a one-year extension, then two of the five members will be identified for a one-year extension through a random selection process.

When a vacancy occurs on the Advisory Committee, the Board liaison to the Committee will notify the Board of Trustees of the vacancy. All Trustees will be invited to submit names of candidates to fill the vacancy. Trustees will select a new committee member(s) at a public meeting.

Members of the public who wish to apply to the Committee must submit an application and resume to the Office of the Board of Trustees for consideration. A designee of the superintendent will review the applications and present qualified applicants for vacant positions to the Board at which time the Trustees will select a new committee member at a public meeting.

Due to the complexity of the Committee's charge, it is essential that members attend meetings on a regular basis. After two absences within the District's fiscal year, the chair will report in writing the excused or unexcused absences to the full Board and may present to the Board of School Trustees a recommendation to replace that Committee appointment.

Membership (continued)

Each Committee member shall, in the judgment of the Board, meet the following criteria:

- Independence: Committee members shall not be employees or contractors of the District, nor shall any members of the member's household, or any person who is related to the member by blood, adoption or marriage within the third degree of consanguinity or affinity, be employees or contractors of the District. Members shall adhere to the laws of the State of Nevada governing conflicts of interest and ethics relating to public officers. Committee members shall not be currently or previously employed by the District, or provide goods or services contractually to the District within the past 2 years.

- Financial Expertise: Each Committee member shall be a financial expert who possesses the experience and skills necessary to understand complex and technical financial reporting issues with credentials from one or more of the following areas: Business finance, legal, accounting, auditing, and government and/or corporate finance. One member must have professional expertise in governmental accounting.

- 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. Members of the committee will act in a manner consistent with the mission and policy of the district.

Operations
Committee meetings are governed by District policy and the laws of the State of Nevada including the Open Meeting Law.

It is expected that the Committee will meet 4 times a year including an annual meeting with the Board of School Trustees and staff. Additional meetings may be scheduled by the Committee chairperson or the Committee. In the absence of the Committee chairperson, a majority of the Committee members present may appoint a Committee member to preside at the meeting.

A quorum constitutes a simple majority of currently appointed membership and meetings will not be conducted unless a quorum is present. Decisions will be made by majority vote of the currently appointed membership.

Communications
The Committee shall report its activities and recommendations to the Board on a regular basis. The Committee shall maintain open and free communications with the board, administration, internal auditors, and the independent auditor.

Education
Applicants and new Committee members shall receive an appropriate orientation briefing including principles of Policy Governance®. The District shall provide Committee members with educational resources related to current District accounting topics, principals, and procedures.

Responsibilities
The Audit Advisory Committee Responsibilities Calendar defines the Committee specific responsibilities.

Limitations of Committee Authority and Responsibilities

The Committee is a recommending body to the Board, administration, and auditors. The Committee has no policy making authority and no administrative authority. Any recommendations it makes shall not substitute for any required review and acceptance by the Board. The annual audit report prepared by the independent auditor shall not be deemed final until accepted by resolution by the Board.

The Committee shall not consider the alleged misconduct or professional conduct of a person. Any such issues shall be directly referred to the Superintendent or his or her designee who shall inform the Board. Issues involving the alleged misconduct or professional conduct of the Superintendent shall be directly referred to the President of the Board.

The parameters of the Committee's responsibilities are defined by the Audit Advisory Committee Responsibilities Calendar. It is not the responsibility or duty of the Committee to plan or conduct audits, to determine that the financial statements are complete, accurate and in accordance with generally accepted accounting principles, or to assure compliance with laws, regulations, and policies.

Clark County School District Audit Advisory Committee Responsibilities Calendar

	Responsibility	Q 1	Q 2	Q 3	Q 4	As Req'd
	Trustee Relationship					
1.	Report to the Board on the following issues: a. Issues regarding the quality or integrity of the District's financial statements. b. District's internal controls and compliance programs. c. Independence, qualifications, and performance of the independent auditor. d. Performance of the internal audit function.	*				
2.	Make a recommendation to the Board on accepting the annual audit reports.	*				
3.	Recommend appointment or replacement of the independent auditor and recommend terms of appointment including compensation.	*				
4.	At the Board's request, review other reports prior to submission to public sector entities.					*
5.	Make procedure and practice improvement recommendations to the Board for financial reporting, internal control, and compliance issues.					*
	Financial Reporting, Internal Control, and Compliance Matters					
6.	Upon release of the audited financial report, review and discuss with the Administration, Internal Audit, and the Independent Auditor financial reporting, risk and internal control and compliance matters.	*				
	Responsibility	Q 1	Q 2	Q 3	Q 4	As Req'd
7.	Review and discuss with the Administration, Internal Auditor, and the Independent Auditor the coordination of audits among internal auditor, independent auditor, and administration to achieve the following audit objectives: a. Completeness of coverage. b. Reduction of redundant efforts. c. Effective use of audit resources.		*			
	Independent Auditor Matters					
8.	Review the performance of the independent auditor.	*				
9.	Review the rotation of audit partners so neither the lead or reviewing audit partner perform audit services for the district for more than five consecutive years.	*				
	Responsibility	Q 1	Q 2	Q 3	Q 4	As Req'd
10.	Review and discuss the qualifications and experience of the senior members of the independent auditor's team.	*				
11.	Meet with independent auditor independently from administration and internal auditors.	*				*
	Internal Audit Matters					
12.	Meet with internal auditor Director independently from administration and independent auditor.	*				*
13.	Discuss internal audit's compliance with the Institute for Internal Auditor's Standards for the Professional Practice of Internal Auditing.		*			
14.	Review and make recommendations for internal audit's annual audit plan and significant changes to the plan.		*			
15.	Review internal auditor's budget, staffing, and qualification standards for internal audit's personnel.		*			
16.	Review internal audit's summary of audits completed and the administration's responses.		*			

Clark County School District Audit Advisory Committee Responsibilities Calendar

	Administration Matters					
17.	Review governance and financial internal control practices and procedures and the cost/benefit of these practices and procedures. Review financial governance monitoring reports.			*		*
18.	Review and recommend procedures and practices for the receipt, retention, and treatment of complaints received by the District regarding accounting, internal controls, or auditing matters.				*	
19.	Review the control environment; including assignment of authority and responsibility as prescribed by the International Standards for Professional Practice of Internal Auditing.				*	
20.	Review and recommend procedures and practices for the confidential anonymous submissions by employees of concerns with regards to auditing, accounting, or internal control matters.				*	
21.	Review significant complaints regarding accounting, internal controls, or auditing matters.	*	*	*	*	*