

SHAKER HEIGHTS CITY SCHOOL DISTRICT FINANCE & AUDIT COMMITTEE CHARTER

PURPOSE:

The Finance & Audit Committee (Committee) of the Shaker Heights City School District (District) is appointed by the Board of Education (Board) to support the Board in providing the desired level of governance over the financial administration of the District, and in monitoring the District's financial planning and controls

MEMBERSHIP:

The Committee shall be comprised of two members of the Board, and not more than seven community members. The members should have no relationship to the District that may interfere with the exercise of their independence from management and the District, and should be financially literate or become financially literate within a reasonable period of time after appointment to the Committee. In addition, at least two members of the Committee will have accounting or related financial management expertise. The members will initially be appointed for a two-year term renewable for one-year terms at the discretion of the Board.

AUTHORITY:

The Board shall have the authority to retain special legal, accounting or other consultants to advise the Board and/or the Committee, at the Board's discretion.

KEY DUTIES AND RESPONSIBILITIES:

In the area of governance, the key duties and responsibilities of the Committee include;

1. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval;
2. Review the annual audited financial statements with District management, including major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls that could significantly affect the District's financial statements;
3. Review major changes to the District's auditing and accounting principles and practices as suggested by the external auditor or management, if any;
4. Discuss with the external auditor the matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees* relating to the conduct of the audit; and
5. Review with the external auditor any problems or difficulties the auditor may have encountered and any management letter provided by the auditor and the District's response to that letter. Such review should include any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information, and should be conducted without District management if either the auditor or the Committee deems it necessary.

In the area of financial planning and control, the key duties and responsibilities of the Committee include:

1. In conjunction with the Board and the District, identify key operational and financial metrics and provide recommendations to the Board as to results to monitor and desirable levels for Board targets and goals;
2. Regularly, at least semi-annually, review the District actual results for the Board-approved targets and goals and provide comments to the Board;
3. At least annually, review the five year forecast prepared by the District for reasonableness and appropriateness of financial assumptions and provide comments to the Board; and
4. Review the soundness of all financial assumptions relied upon in determining the fiscal necessity and timing of any levy, and provide comments to the Board.