

AUDIT COMMITTEE CHARTER
School District of Manatee County, Florida
Revised September 10, 2024

MISSION

The mission of the Audit Committee is to assist the Manatee County School Board ("School Board") in providing oversight of the internal and external audit functions (See Sales Surtax for additional mission). The Audit Committee will advise the School Board in the following areas: review the scope and plan of the external and internal audits; recommend the continuation of services of the internal and external auditors ; review corrective action plans and necessary improvements based on audit findings and recommendations received from internal and external auditors ; and assist to maintain open communications between the selected auditors, the School Board and the District's financial management. As part of its mission the Audit Committee may review non confidential reports from cybersecurity and information technology consultants hired by the School District.

The Audit Committee is not charged with any fiscal responsibilities of the School District and the School Board and the Superintendent retains the responsibility for the District's financial condition and for decision-making in all matters of policy and operation. The Audit Committee is not responsible for the outcome of internal and external audits. Additionally, the Audit Committee is not responsible for any consequences associated with fraudulent activities that may be uncovered during internal and external audits or in the course of otherwork completed. The Audit Committee members will not conduct "fieldwork" or other types of auditing, legal or accounting reviews or procedures.

COMPOSITION OF COMMITTEE

The Audit Committee members are volunteers who will be appointed by the School Board. The Audit Committee members must be independent and not employees of the Manatee County School District or employees of the appointed internal and external CPA firms or otherwise have a continuing conflict of interest with the School District. Committee members must be residents of Manatee County and be a CPA (active or retired) or had employment experience in school district financial operations. The Committee will consist of seven (7) members. The terms of the members will coincide with the School District's fiscal year ended June 30. All terms will be for three (3) years, and Committee members may be appointed to serve consecutive terms. Should a vacancy occur on the Committee, the School Board may appoint a replacement to fill the vacancy for the remainder of the vacant term. Anyone interested in filling a vacancy will be interviewed by the Chairperson of the Audit Committee and the School Board Liaison to the Audit Committee prior to being presented to the School Board for appointment.

Committee members are subject to the Florida Sunshine Laws, and members will be required to attend an informative training session about the Florida Sunshine Laws within a reasonable time after their initial appointment to the Committee. Audit Committee members may be removed from the Audit Committee by the School Board for any of the following reasons: resignation by the

member; lack of attendance (miss 3 consecutive meetings without communication with the Audit Committee Chair); violation of the independence rules, Audit Committee Charter, and/or the Florida Sunshine Laws; or for any reason as determined by the School Board.

ADMINISTRATIVE

The Audit Committee will meet as the need arises, and will report to the School Board after each meeting. A majority of the Committee membership shall constitute a quorum. All decisions shall be made by a majority of a quorum present at a meeting. The Audit Committee will select the Chair and Vice Chair annually.

The School Board will provide such administrative support as is necessary for the Audit Committee to perform its assigned tasks. Requests for information, outside of regularly scheduled audits, shall be approved by a majority of the Audit Committee. Once approved, the Chair of the Audit Committee shall communicate that request in writing to the Board Staff Internal Auditor (BSIA). The BSIA shall communicate that request to the School Board Liaison for approval. Committee members will be assigned a School District email account that must be used for all Committee mailings, and may not be used for personal mailings.

The Audit Committee's meeting agendas and minutes of the meetings will be provided to the School District's Agency Clerk for posting on the School District's website. Audit Committee meetings will include time for Public Comment, and the Audit Committee will follow the public comment operating procedures established by the School Board for School Board meetings.

Periodically, the Audit Committee will review the Audit Committee Charter and submit any recommended changes to the School Board for approval.

EXTERNAL AUDIT SERVICES

The Audit Committee will meet with the external auditors after interim fieldwork to discuss risk assessment, audit scope and any known potential reporting problems or issues. After the completion of the audit fieldwork, the Audit Committee will meet with the external auditors to discuss drafts of the audited financial statements, reports on internal control and compliance and management letter comments prior to presentation to the Board and issuance. The Audit Committee will report to the School Board on acceptance of the audit and related reports and review any corrective action plans developed by the District's staff. The Audit Committee will evaluate the work of the external auditors and make a recommendation to the School Board to continue their services for the remainder of any contract term or to terminate their contract.

The Audit Committee will review and make a recommendation on whether the School Board should approve any proposed non-audit services by the District's external auditor.

INTERNAL AUDIT SERVICES

The internal audit function may include both in-house internal auditor(s) and a contracted internal audit firm.

The Audit Committee will review the results of internal audit activities, reports and significant recommendations and findings as needed. The Audit Committee will report periodically to the School Board on such matters. The Audit Committee will review the long-range and annual internal audit plans to ensure that high risk areas and key control activities are periodically evaluated and tested. The Audit Committee may also make recommendations to the School Board for internal auditors to perform special studies or investigations based on identified risk assessments and areas needed for improvement.

The Audit Committee will evaluate the work of the internal auditors (in-house internal auditors and contracted internal audit firm) and make a recommendation to the School Board to continue their services for the remainder of any contract term or to terminate their contract.

INFORMATION TECHNOLOGY CYBERSECURITY

The Audit Committee may receive reports from information technology cybersecurity consultants and District staff. These reports will not include specific information that could compromise the security of the physical and/or virtual information technology of the District.

The Audit Committee may make recommendations to the School Board for information technology cybersecurity consultants to perform special studies or investigations based on identified risk assessments and areas needed for improvement.

The Audit Committee will evaluate the work of the information technology cybersecurity consultants and can make a recommendation to the School Board whether to continue their services or to not renew their contract.

MISSION - SALES SURTAX

An additional mission of the Audit Committee is to perform the procedures listed in School Board Resolutions 2016-03 and 2016-10. On November 8, 2016, the voters of Manatee County approved the extension of the existing school one-half cent sales surtax for capital outlay for educational facilities for fifteen additional years, from January 1, 2018, to ending on December 31, 2032. The above Resolutions charged the Audit Committee with review of the collection and proper use of the funds raised through the extension of the sales surtax.

AUDITOR SELECTION COMMITTEE

(1) Overview

The Audit Committee shall have a subcommittee known as the Auditor Selection Committee whose purpose is to comply with the Auditor selection procedures required in Florida Statute 218.391, as same may be amended over time. The School Board may appoint a member of the Citizens Financial Oversight Committee (CFOC) to the Auditor Selection Committee. Only members of the Audit committee, a member from the CFOC appointed by the school Board, and one School Board member may serve on this subcommittee. All members of the Audit Committee may serve on the subcommittee if they desire, but are not required, and the minimum size of the subcommittee shall be no less than two members of the Audit Committee and one member from the School Board. The School Board member shall serve as the chair of the committee. A majority of the committee shall serve as a quorum.

While the primary purpose of the Auditor Selection Committee is to assist the School Board in selecting an auditor to conduct the annual financial audit required in Section 218.39; the committee upon request of the School Board, may also assist in selecting other auditors or auditing services being considered by the School Board.

The subcommittee is subject to all sunshine and public records laws and the public may not be excluded from the committee's proceedings.

(2) The Auditor Selection Committee shall:

(a) Establish factors to use for the evaluation of audit services to be provided by a certified public accounting firm duly licensed under chapter 473 and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy. Such factors shall include, but are not limited to, ability of personnel, experience, ability to furnish the required services, and such other factors as may be determined by the committee to be applicable to its particular requirements.

(b) Publicly announce requests for proposals. Public announcements must include, at a minimum, a brief description of the audit and indicate how interested firms can apply for consideration.

(c) Provide interested firms with a request for proposal. The request for proposal shall include information on how proposals are to be evaluated and such other information the committee determines is necessary for the firm to prepare a proposal.

(d) Evaluate proposals provided by qualified firms. If compensation is one of the factors established pursuant to paragraph (a), it shall not be the sole or predominant factor used to evaluate proposals.

(e) Rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established pursuant to paragraph (a). If fewer than three firms respond to the request for proposal, the committee shall recommend such firms as it deems to be the most highly qualified.

(f) Perform any other actions as required under Florida law.