

Special Committees	<p>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 committees shall report their findings to the Board and shall be dissolved upon completion of the assigned task or vote of the Board.</p> <p>The President of the Board and the Superintendent shall be ex officio members of all Board committees, unless otherwise provided by Board action.</p>
Audit Committee	<p>The Board audit committee shall be composed of no more than three Board members, including the chair, appointed by the Board President.</p> <p>The Board audit committee is advisory in nature and is subject to the control and direction of the Board. Any action taken by the audit committee or recommendation made by the audit committee to the Board shall not substitute for any action that must be taken by the Board, including review and acceptance of the annual external audit and the establishment and oversight of the internal audit function.</p>
Purpose (Charter)	<p>The purpose of the audit committee is to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, particularly in the areas of the external and internal audit process, the system of internal controls, and the District's process for monitoring compliance with laws and regulations and the code of conduct.</p>
Term of Office	<p>The term of office for each Board audit committee member shall be two years. The terms shall be staggered to minimize the impact of the Board member turnover. Initially, one member shall be selected for a three-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 Board members.</p>
Meetings	<p>The Board audit committee shall meet at least quarterly 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 <i>Robert's Rules of Order</i>. A portion of each meeting shall be set aside for a private session with the independent and/or internal auditors for items that fall within executive session provisions of the Texas Open Meetings Law.</p>
General Responsibilities	<p>The general responsibilities of the Board audit committee shall be to:</p>

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1. Review internal and external audit systems and reports;
2. Review annual financial reports, including independent auditor's opinions, management letter comments, and staff responses;
3. Recommend audits of activities/areas of the District as needed; and
4. Perform specific audit committee assignments as requested by vote of the Board.

The committee shall assume other responsibilities as indicated in the audit committee charter.

**Internal Audit
Responsibilities**

The audit committee's responsibilities related to internal audits include:

1. Making recommendations to the Board regarding the appointment or removal of the director of internal audit;
2. Reviewing and recommending for Board approval the annual plan for internal audit activities;
3. Receiving communications from the director of internal audit on the results of internal audit activities or other matters that the director determines as necessary;
4. Reviewing the results of internal audit activities and significant recommendations and findings of the internal auditor;
5. Monitoring implementation of the internal auditor's recommendations by management;
6. Making recommendations related to the effectiveness of the internal audit effort; and
7. Reviewing the adequacy of the internal audit budget in relation to planned activities.

The performance evaluation of the director of internal audit shall be conducted by the audit committee with input from the administration.

**External Audit
Responsibilities**

The audit committee's responsibilities related to external audits include:

1. Reviewing recommendations related to hiring of external auditing firms when necessary and recommending areas to be emphasized in the external audits and the terms of engagement with external auditing firms;

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2. Reviewing the annual financial statements and the accountants' reports, including management letters, related to improving the accounting and internal control systems;
3. Recommending to the Board for its consideration policies to strengthen the District's financial system; and
4. Making recommendations to the Board regarding the commissioning of additional external financial or management audits.

Other Duties

The audit committee shall annually review and assess the adequacy of this policy, requesting Board approval for any proposed changes.

**Transacting
Business**

Committees may transact business only within the specific authority granted by the Board. To be binding, all such business must be reported to the Board at the next regular or special meeting for approval and entry into the minutes as a public record.