

Charge to the Audit Committee
NJSBA Bylaws, Article X, Section 7

SECTION 7: Audit Committee

- a. There shall be a standing committee of the Association called the Audit Committee consisting of five members; the Vice-President for Finance and four members of the Board of Directors appointed by the President, none of whom shall be members of the Executive Committee.
- b. Two members shall be appointed for two-year terms expiring in even-numbered years and two members for two-year terms expiring in odd-numbered years. Mid-term vacancies shall be filled by the President for the duration of the term.
- c. The duties of the Audit Committee shall include:
 - (1) Hiring the external auditor, determining the scope of the audit, reviewing the annual audit report and submitting same to the Board of Directors for approval.
 - (2) Insuring that a system of internal financial controls is in place and approving changes to said system when deemed necessary.
 - (3) Annually approving expenses of the Executive Committee, Executive Director and board members.
 - (4) Receiving and reviewing an annual report of aggregate staff expenses.
 - (5) Approving, in advance, all Executive Committee and Board of Directors attendance at out-of-state conferences.
- d. The President shall name one member of the Audit Committee, other than the Vice President for Finance, as the chairperson.
- e. The Audit Committee shall meet on a quarterly basis and at such other times as is deemed necessary.
- f. The Audit Committee shall report annually to the Board of Directors and at such other times as it deems necessary.

Audit Committee Roster 2005-06

Michael McClure, Chairperson
Tanya M. Dickerson, VP Finance
Marida Tindell
Theresa Townsend
William Robinson

Maple Shade (Burlington)
Burlington City (Burlington)
Commercial Twp (Cumberland)
West Morris Regional (Morris)
Mount Olive (Morris)

Ex Officio

Glenn B. Ewan, NJSBA Acting President

Maurice River (Cumberland)

Staff

Edwina M. Lee, Executive Director, NJSBA
Francis Pullo, Director, Business Services, NJSBA
Ana N. Keller, Associate Director of General Accounting, NJSBA

Meeting Dates

Friday, September 16, 2005
6:00 pm

Ramada/Nat'l Conference Ctr
E. Windsor

Friday, January 13, 2006
6:00 pm

Ramada/Nat'l Conference Ctr
E. Windsor

Friday, March 17, 2006
6:00 pm

Ramada/Nat'l Conference Ctr
E. Windsor

Friday, May 19, 2006
6:00 pm

Holiday Inn, Monroe
Monroe Twp.



New Jersey School Boards Association

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**Annual Report
NJSBA Audit Committee Report
By
Michael McClure, Chairperson**

Prepared for the Annual Delegate Assembly

November 20, 2004

In June 1991, the Delegate Assembly established the Audit Committee. Two members are appointed by the President for two-year terms expiring in odd-numbered years. A complete list of the committee members who served during 2003-2004 is attached to this report.

At the January 16, 2004 meeting, the Audit Committee appointed Lipman, Selznick & Witkowski to conduct the 2003-2004 audit and reviewed budget transfers.

At the May 14, 2004 meeting, the Audit Committee reviewed and approved the Executive Committee, Executive Director, and the Board of Director's travel expenses for the next fiscal year, 2004-2005, and reviewed budget transfers.

The Audit Committee members shown on the fiscal year 2003-2004 listing attached to this report hired the audit firm of Lipman, Selznick & Witkowski. The Audit Committee members shown on the fiscal year 2004-2005 listing also attached to this report accepted the audit report for fiscal year 2003-2004.

On September 17, 2004, the committee met with Association Auditors, Lipman, Selznick, & Witkowski. Mr. Joseph D'Avella, Audit Manager, reviewed the 2003-2004 audit with the Audit Committee. Mr. D'Avella outlined the audit process and reported that the audit was conducted smoothly with no problems. He stated that the auditors received full cooperation from staff, and access to all necessary materials. The audit was performed in accordance with generally accepted auditing standards (GAAS). As part of the audit planning process, the auditors reviewed the internal controls that affect the financial reporting and accounting to form their opinion. In their judgment, the 2003-2004 financial statements present fairly, in all material respects, the financial position of the New Jersey School Boards Association as of June 30, 2004 and the results of its operations and its cash flow for the year ended in conformity with generally accepted accounting principles (GAAP). The audit resulted in an unqualified opinion that NJSBA systems and procedures function effectively with the books and records in excellent condition. The Audit Committee also reviewed the annual report of aggregate Executive Committee, Executive Director, Board of Directors and staff expenses.