

Non-Profit Organization

Audit Committee Charter

1. **Purpose** – The Audit Committee of the Board of Trustees is responsible for:
 - a) Monitoring and providing effective supervision of management’s financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.
 - b) Promoting the development of an effective and continuously improving system of internal controls, in concert with management, particularly with the VP, Finance, to achieve the _____ objectives;
 - c) Overseeing the _____ framework of internal control and risk assessment practices to ensure that management executes the provisions of the _____ Accounting Procedures;
 - d) Serving as an informed voice on the Board of Trustees and other standing committees by conveying the audit perspective when related issues are brought before those committees; and
 - e) Providing a direct channel of communication to the Board of Trustees for the independent auditors.

2. **Organization** – The Audit Committee of the Board of Trustees shall be a permanent committee consisting of no less than two members of the Board of Trustees. Each member of the Audit Committee should be considered “financially literate” or shall become “financially literate” within a reasonable period of time after his or her appointment. The members of the Audit Committee shall be appointed by the Chair of the Board of Trustees and approved by the Board of Trustees annually, recognizing the need for continuity of membership from year to year. The Committee may consider limiting the term of Audit Committee service by automatic rotation or by other means.

3. **Duties** – Specific duties of the Audit Committee include the following:
 - a) Nomination of Public Accountant. To recommend a contract, including fee schedules, with independent public accountants for the annual audit of the Organization, said nomination shall be approved by the Board of Trustees. The public accountants report directly to the Board of Trustees through the Audit Committee.
 - b) Charter Amendments. To recommend changes in the Audit Committee Charter to the full Board for approval.

- c) Audit Plans. To review the annual audit plans provided by the public accountants and management, including the degree of coordination. The Audit Committee may request the performance of supplemental reviews or other audit procedures.
- d) Annual Review of Public Accountants. To meet with the independent public accountants and the VP, Finance to review the results of their annual work. This should include:
 - i) a review, in advance of final issue, of the proposed formats and wordings of the annual financial report, including the financial statements, footnotes and statistics;
 - ii) a timely review of the disposition of previously issued recommendations; and
 - iii) a meeting with the VP, Finance and with the independent public accountants without any representatives of management present
- e) Respond to Whistleblower Complaints. To serve as the reporting pathway for communication from Organization staff regarding suspected instances of illegal acts or violations of Organization policies or internal controls by Organization management or staff.
- f) Report to the Board. To report the results of the Audit Committee to the Full Board of Trustees.