

## **RID Audit Committee** (Version 06/11/07)

### ***Purpose:***

To assist the Board of Directors in the oversight of organizational planning, reporting, and independent auditing of all matters related to organizational finances.

### ***Objectives:***

1. To oversee matters related to organizational internal systems controls,
2. To oversee the annual independent audit process.
3. To oversee information provided to the public.
4. To oversee the appropriate preparation and dissemination of financial statements.
5. To advise the Board of Directors with respect to significant financial decisions.

### ***Activities & Responsibilities:***

1. To provide an outside, independent view and critique of management override of controls.
2. To generate possible scenarios toward determining how and where fraud may occur within the organization.
3. To determine appropriate internal controls toward mitigating possible fraud.
4. To conduct executive sessions with the outside auditor, executive director, and Director of Finance at least once a year.
5. To assist with the oversight of the hiring of independent auditors, counsel, or other consultants as necessary.
6. To inquire of management and the independent auditors about significant risks or exposure facing the organization.
7. To review with management significant audit findings and recommendations together with management's responses thereto.
8. To review with management and the independent auditor the effect of any regulatory and accounting initiatives, as well as other unique transactions and financial relationships, if any.
9. To review all material written communications between independent auditors and management.
10. To review with management and the independent auditor the organizations annual financial statements and related footnotes, the auditors audit of the financial statements and their report thereon, auditor's judgments about the quality of the organization's accounting principles as applied in its financial reporting.
11. To review with the general counsel, management, and independent auditors regulatory matters that may have an impact on the financial statements, related compliance policies, programs, and reports received from regulators.
12. To oversee the preparation of, or prepare, an audit committee annual report.

## **Qualifications:**

### **Members must. . .**

1. be voting members in good standing (member of an Affiliate Chapter, and a National Certified or Associate member) *with the exception that no less than one committee member shall not be a member of the association and shall have a considerable degree of financial background.*
2. have a considerable degree of nonprofit financial background.
3. attend conference calls and face-to-face meetings as required.
4. work cooperatively with other committee members and chair, the National Office Director of Finance, and the Treasurer.
5. serve a two-year term commencing at the end of a national conference and to facilitate transitions for new committee members as needed \**[Three (3) consecutive terms on the committee is a suggested maximum]*
6. be accessible to the Director of Finance, Executive Director, Treasurer, and the committee chair.
7. have e-mail access and respond in a timely manner as the bulk of committee work is done via e-mail.