

## IASP – Audit Committee Charter

### Relevant by-law:

10.04 Standing Committees. Audit Committee. This committee shall consist of the Secretary as Chair, the Treasurer and at least three other Regular Members who are not members of the Finance committee. The committee works with the Association's external auditor to ensure compliance with accounting rules and regulations.

### Charter

#### Responsibilities

##### 1. Monitor

- Annual Financial Statements
  - Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- Independence and Performance of the External Auditors
  - Review the external auditors' proposed audit scope, approach, and fees.
  - Review with the external auditor any problems they may have encountered performing the audit, any management letter provided, and the Association's response to that letter.
- Overall Systems of Internal Control and Risk Mitigation
  - Gain an understanding from auditors and management as to whether internal control recommendations identified by external auditors have been implemented by management, if appropriate (e.g. the whistleblower policy).
- General
  - Ensure that significant findings and recommendations made by the external auditors are received and addressed on a timely basis.
  - Perform other oversight functions as requested by the Executive or Council.

##### 2. Manage Activities

- Ask the external auditors to perform any procedures required by Generally Accepted Auditing Standards (GAAS) related to compliance with laws and to communicate the related results and knowledge of any noncompliance to the Committee.

- Review and confirm the independence of the external auditors by pre-approving any non-audit services provided and related fees, and by obtaining the auditors' assertion of independence in accordance with professional standards.
- Ask that the external auditors keep the Audit Committee informed about fraud, illegal acts, deficiencies in internal control, and certain other matters.

### 3. Generate Policy Recommendations

- Review the performance of the external auditors and work with the Executive Committee to select or discharge the external auditors. Recommend to Council a policy for the regular rotation of auditing firms.

### 4. Coordinate and Communicate

- Inquire of external auditors as to significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with the external auditors in separate sessions to discuss any matters that the committee believes should be discussed privately.
- Regularly update the Executive Committee and Council about Audit Committee activities and make appropriate recommendations.

### **Schedule**

The Committee shall meet face-to-face at least, but not limited to, once per year to discuss matters as per above charter. This meeting will be followed by a face-to-face meeting with the auditors and management (together and separately) after the audit has been completed and before the auditors have issued the audit. The most appropriate location for these meetings is the IASP office in Seattle.

The Audit Committee chair will make a formal presentation of the audit and its outcome to Council at the annual meeting each year.

Approved 2011