

What is the Role of an *Audit Committee?*

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This committee arranges to hire an independent auditor and serves as a link between the auditor and the board. It ensures that the auditor has full access to financial and related records, reviews the auditor's report and submits it to the board, and arranges for the full board to meet with the auditor once a year. Once the board has reviewed the audit, the task force is disbanded. An audit task force is usually a small group – typically three to five people – appointed by the board chair with an eye to involving a mix of people with audit task force experience and those who have not served in the recent past.

Example Audit Committee Description #1:

The Audit Committee is responsible for reviewing and approving all tax filings (including, but not limited to, the annual Federal Form 990), as well as ensuring the integrity of the financial statements, systems of internal accounting and financial controls over financial reporting, compliance with ethics policies, legal and regulatory requirements, and external audit processes. The Audit Committee shall be governed by the Audit Committee Charter adopted by the Board of Governors.

Example Audit Committee Description #2:

This committee is charged with the oversight of financial reporting. It is formed to investigate and resolve complaints received concerning accounting, internal accounting controls, auditing matters, theft, fraud, misappropriation of funds, misleading financial information, spending or expending funds for personal use.