

AUDIT COMMITTEE GUIDELINE

The Audit Committee demonstrates AFG Inc.'s commitment to ensuring accountability to its membership. It has the potential to reassure members of the appropriate financial operations of the World Service Office (WSO). The Audit Committee reports to the Board of Trustees (BOT).

I. Membership*

- a. Volunteer Chairperson, member of BOT selected by Chairperson of the Board
- b. Volunteer Co-Chairperson, member of BOT selected by the Chairperson of the Board
- c. One (1) member of the Board of Trustees selected by the Chairperson of the Board
- d. Two (2) At-Large members of the fellowship with financial expertise, selected by the Audit Committee. ** The Executive Committee approves the At-Large members.
- e. The Director of Finance & Operations serves in an ex-officio capacity, with voice and no vote
- f. No voting members of the Audit Committee may serve on the Finance or Executive Committees

II. Meetings

- a. Meets via web conferencing in February with At-Large members
- b. Meets in July via web conferencing
- c. Additional web conference calls as needed

III. Duties

- a. Reviews annually the terms of the auditor's engagement letter in July;
- b. Reviews annually with the independent auditor the scope of audit;
- c. Reviews annually with the independent auditor changes in the regulatory and accounting initiatives;
- d. Recommends to the BOT to retain or not retain the independent auditor annually;
- e. At least every five years considers, interviews, and makes a recommendation to the BOT for hiring an independent audit firm;
- f. Confers with the auditor to ensure that the financial affairs of the organization are in order;
- g. Recommends the approval of the annual audit report to the BOT;
- h. Reviews recommendations regarding the adoption and implementation of internal financial controls identified by the audit process
- i. Recommends non-audit services provided by the auditors

IV. Requirements

- a. Maintains confidentiality regarding all aspects of Committee participation

*The Chairperson of the Board and the Executive Director are not ex-officio members of this Committee.

**Financial expertise is defined as:

- An understanding of generally accepted accounting principles
- An understanding of generally accepted auditing standards
- Experience preparing, auditing, analyzing or evaluating financial statements
- An understanding of internal controls and procedures for financial reporting
- An understanding of audit committee functions
- Experience in non-profit financial issues and specific knowledge of the sector the association represents

- b. All Audit Committee members are required to sign and adhere to the Conflict of Interest Statement

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