



## **Audit Committee**

### **Member Responsibilities**

#### **General Overview**

1. General description of the position: The Audit Committee (AC) provides oversight focused on financial reporting, external and internal audit functions, compliance with legal and regulatory requirements and internal controls to promote good financial stewardship in accordance with the Bylaws and the policies set forth by the Board of Directors. The goal of the committee is to protect the organizations assets, strengthen the reliability and accuracy of financial reporting, and reduce the risk of fraud. This committee must report directly to the Board of Directors on their activities. Only independent members may participate in Board or Audit Committee deliberations or voting relating to these audit oversight functions.
2. Composition of the committee: The members of this committee shall consist of three (3) voting members who meet the definition of Independent Director. The chair of this committee shall be named by the President-Elect from one of the three members.
3. Term of Service: Service on this committee is intended to be for a 3-year term subject to ROB 3.300 *Election and Appointment Procedures*.
4. Required Qualifications: All AC members must hold the grade of Member or higher in the Society. The definition of an Independent Director is a current member of the Board of Directors who has not received compensation from ASHRAE for the past three years. Members may not receive compensation while serving as an Independent Director. It is suggested one of the members of the committee be a financial expert who can bring a working knowledge of financial reporting, internal controls and knowledge of the Not-For-Profit (NFP) sector.

#### **Specific Time, Money, and Task Commitments**

1. Attend up to three meetings per year, one of which is held at the ASHRAE Annual (Summer) conference and one in the fall. A meeting at the Winter conference is optional depending on what is completed during the fall meeting.
  - a. Describe what dates they need to be there: For the Annual conference (and Winter conference - if applicable), the AC meets on Friday, the day prior to the Annual and Winter conferences, typically from 3:30 PM to 5:00 PM. If an AC member is assigned to liaise with a council or committee, the member should plan to be present for the appropriate council or committee meetings held during the Annual and Winter conferences as well as to participate in conference calls of the council or committee. Frequently, AC members elect to attend most of the Annual and Winter conferences to maintain familiarity with current Society issues and become aware of strategic directions the Society may pursue.
  - b. Who covers transportation: Transportation costs for two meetings are paid by the Society. See ROB 1.201.027.
  - c. Detail any other expenses covered by Society: N/A

- d. Subcommittee work description: N/A
2. Requirements between Annual and Winter conferences.
    - a. Describe the frequency of conference calls: If the AC does not have the opportunity to hold a face-to-face meeting in the fall, the AC will require a conference call in the fall. The AC can also hold calls, if necessary, to conduct urgent business. Committee conference calls are two hours or less in duration.
    - b. List anticipated face-to-face meetings in spring and fall: If schedules allow, the AC will hold a regular face-to-face meeting in the fall but will not hold a meeting in the spring.
    - c. Describe individual workload and anticipated time requirements per week (or month): The committee chair workload consistently averages a couple of hours a month with extra time needed to prepare and attend committee meetings.
  3. Briefly describe any other committee activities of which a prospective member should be aware: The AC shall oversee the accounting and financial reporting processes including internal controls, policies, operational procedures and integrity of the systems. The AC must understand the organization's risk profile such as investment practices, disaster recovery plans, insurance coverage, and compliance with laws including donor requirements. The AC should interact with the external auditors which includes approving the annual internal audit plan and reviewing the audit reports. Additionally, they are responsible for hiring, compensating and overseeing the external auditors and should also consider the performance and independence of the external auditor each year. Lastly, the committee should review the 990 tax return annually and other reporting to regulatory agencies.