

# 1008. Audit Policy

## 1. Purpose

This policy provides for a periodic objective review and appraisal of Theler Center accounting and financial practices and for specifically directed performance audits to assist the Board in the effective discharge of its fiduciary responsibilities for the custody and safeguarding of Theler Center assets. Audit results may also be used as required by grantors (for example, the Combined Federal Campaign) and donors.

## 2. Policy

**Internal Audit.** The Audit Committee will conduct an internal audit of Theler Center's financial accounting as soon as practical following the close of the books for each fiscal year.

**Performance Audits.** The Board, as it deems necessary and prudent, may direct the Audit Committee to conduct performance audits of policies, plans, procedures, laws and regulations that have an impact on Theler operations by an agent independent of Theler Center.

**External Audits.** The Board, as it deems necessary and prudent, may direct the Audit Committee to conduct an audit prepared by an independent and licensed certified public accountant, conducted in accordance with auditing standards generally accepted in the United States of America.

## 3. Audit Committee

The Audit Committee consists of three or more members appointed by the Board of Directors: one Director and two or more members selected from staff and volunteers. The Board Chair and Treasurer and the Operations Director are prohibited from serving on the Audit Committee.

### 3.1. Responsibilities

#### 3.1.1. The Audit Committee will:

- Review the reliability and integrity of financial and operational information.
- Evaluate the adequacy and effectiveness of Theler Center's system of internal accounting and operating controls.

#### 3.1.2. The Audit Committee, as authorized by the Board, may:

- Monitor compliance with the policies, plans, procedures, laws and regulations that have an impact on Theler operations.
- Review the means of safeguarding financial and nonfinancial assets and verifying their existence when appropriate.
- Appraise the economy and efficiency with which resources are employed.
- Review financial and operational activities and programs to determine if results are consistent with established goals, objectives and authorized plans.
- Serve as liaison for coordination of all external audit activities.
- Assist in fraud and theft assessment.

*"where community and nature walk hand-in-hand"*

- Provide guidance to the Board and staff on matters relating to audits and internal control functions.

## 3.2. Authority

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as to anyone in the organization. The Audit Committee, with the prior concurrence of the Board, has the authority to retain special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties.

## 3.3. Reporting

**Internal Audits.** The Audit Committee will complete its internal audit by January 31, of each year and submit the report to the Board at its regularly scheduled February meeting.

**Performance and External Audits.** The Audit Committee will submit the report of a performance or external audit to the Board at the next scheduled meeting of the Board after completion or as directed by the Board.

**Internal Audit Report Format.** The format and appearance of the internal audit report should be functional and provide an efficient method of reviewing and responding to recommendations. Generally, the report should consist of:

- Executive Summary
- Distribution list, i.e., who is getting copies of the report
- Introduction - statement of the Audit Committee's objectives, and the results obtained
- Summary of records covered
- Conclusion
- Findings and Recommendations
- Appendices and exhibits - including statistical summaries of audit test results

Adopted: July 13, 2006  
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