

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 access to financial expertise. **
The Executive Committee approves the At-Large members.
- e. No current members of the Audit Committee can serve on Finance or Executive Committees.

II. Meetings

- a. Meets in person in February with At-Large members
- b. Meets in July by conference call
- c. Additional 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 and the Director of Finance the scope of audit;
- c. Reviews annually with the independent auditor and the Director of Finance changes in the regulatory and accounting initiatives;
- d. Considers and recommends to the BOT the retention or termination of the independent auditor at least every five years;
- e. Confers with the auditor to ensure that the financial affairs of the organization are in order;
- f. Recommends the approval of the annual audit report to the BOT;
- g. Reviews recommendations with Director of Finance regarding the adoption and implementation of internal financial controls identified by the audit process; and
- h. Approves any non-audit services provided by the auditors.

IV. Requirements

- a. Maintains confidentiality regarding all aspects of Committee participation.
- b. Adheres to the individual's signed Conflict of Interest statement.

*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