

# AUDIT COMMITTEE GUIDELINE

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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
- b. Volunteer Co-Chairperson, member of BOT
- 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 after the conclusion of the annual audit done by the audit firm engaged by Al-Anon Family Group Headquarters, Inc and in July with the independent auditor when needed
- b. Additional web conference calls as needed

## III. DUTIES AND RESPONSIBILITIES

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

\*The President and Secretary of the Corporation 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

- j. Maintains confidentiality regarding all aspects of Committee participation
- k. All Audit Committee members are required to sign and adhere to the Conflict of Interest Statement
- l. Completes auditor's survey when asked

## **Audit Committee Chairperson**

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### **I. SELECTION PROCESS**

- Appointed by the COB at the Annual Board Meeting

### **II. DUTIES AND RESPONSIBILITIES**

- Arranges for the Audit Committee to meet twice a year electronically.
- Prepares agendas for and chairs the Audit Committee meetings and ensures that the independent auditor is available for these meetings
- Ensures Audit Co-Chairperson is informed of meeting agendas ahead of time
- Ensures that minutes are recorded
- Reports to the Board of Trustees in April (recommends retention or termination of the independent auditor) and in April (recommends acceptance of the annual audit report)
- Provides orientation information for new Committee members and ensuring At-Large members sign and return Conflict of Interest Statement
- Ensures that the Audit Committee complies with and performs duties listed in the Audit Committee Guideline

## **Audit Committee Co-Chairperson**

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### **I. SELECTION PROCESS**

- Appointed by the COB at the Annual Board Meeting

### **II. DUTIES AND RESPONSIBILITIES**

- In the absence of the Chairperson of the Audit Committee, the Co-Chairperson will assume the duties of the Chairperson

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- Experience in non-profit financial issues and specific knowledge of the sector the association represents