



SEAFC

Policy 2010 – 12/07 REV. II - 2016/02 AUDIT COMMITTEE

- I. **PURPOSE:** The Audit Committee of the Southeastern Association of Fire Chiefs is hereby established to create a governance structure of accountability and ensure the finances of the Association are protected from unauthorized use, abuse, fraud or other actions that are not in the best interest of the Association and the membership.

METHODS: The Audit Committee as appointed by the President shall be authorized to inspect the financial records of the Association at any time with reasonable notice to the Executive Director.

The audit committee shall serve as an extension of the board to assure that proper financial management is in place. Both the audit committee members and board members have the same "duty of care" (or fiduciary duty) benchmark to meet, which is to exercise the level of care "an ordinary prudent person would exercise in a like position under similar circumstances."

At least one member of the audit committee should be considered "financially literate." The criteria to consider regarding that member is that he or she must:

- understand financial statements,
- understand financial risks,
- understand the impact of business decisions on the financial statements,
- be able to identify balance sheet risks, and
- understand revenue recognition issues on the financial statements.

All financial records of the Association shall be available for review and inspection by the Audit Committee. The Executive Director, President and/or the Treasurer shall cooperate with the Audit Committee's reasonable request to examine the financial records. The Audit Committee shall be authorized to solicit information, both written and verbal, from the Executive Director, Executive Board Members, Members, Vendors or Financial Institutions concerning the financial records and expenditures of the Association with reasonable notice.

The Audit Committee shall be responsible to review and monitor all financial activity to ensure compliance with Association policies and shall keep the Board of Directors informed as to the financial condition of the Association. The Audit Committee shall seek and execute sound financial strategies to ensure the sustainability of the Association through sound business practices and investments.

Monthly financial status reports will be made to the Board of Directors through the Committee Chair. The Audit Committee Chair shall review monthly the financial records of the Association and issue a report of the findings to the Executive Director and the Board of Directors. An annual report will be given to the membership at the annual meeting by the Committee Chair. All Audit Committee reports shall be available for inspection by the general membership.

The Audit Committee shall be governed by the established written financial policies, procedures and Association By-Laws in reviewing the financial records of the Association.

Adopted by the Board of Directors on this 7th day of December, 2010

Amended and Adopted by the Board of Directors on this 10th day of January 2014.

Amended and Adopted by the Board of Directors on this 2nd day of February, 2016.

Lisa Moatts
Executive Director

Wallace Possich
Policy & Procedure Committee
Chairman