

AUDIT COMMITTEE

1.0 Purpose

The purpose of this policy is to define the Audit Committee's responsibilities, the rules governing its operations, and the committee's composition including membership qualifications.

2.0 Scope

This policy establishes that the Audit Committee shall be responsible for the oversight of the financial audits of the Society and such policies as the Board of Directors may establish with respect to financial audits.

3.0 Reference

3.1 *ASNT Bylaws*

3.2 G-43 Committees of the Board

4.0 Responsibilities

- 4.1 Ensure that a financial audit is performed annually by an independent certified public accounting firm in accordance with Generally Accepted Auditing Standard (GAAS).
- 4.2 Oversee the external financial audit, review and approve the external financial audit report and make recommendations to the Board of Directors concerning the audit process and report.
- 4.3 Confirm with the auditor whether the financial affairs of the Society are in order.
- 4.4 Assure that any non-audit service performed by the audit firm for ASNT does not compromise its independence.
- 4.5 Recommend selection, retention, or termination of the independent auditor.
- 4.6 Perform an annual self-assessment of the Audit Committee performance and recommend changes to the Board of Directors.
- 4.7 Other activities as prescribed by the Board of Directors pertaining to the Society's financial audit functions.

5.0 Authority

The Audit Committee is authorized to conduct or authorize investigations into matters within the committee's scope of responsibilities as defined in paragraph 2.0. The committee is authorized to obtain expert assistance and to retain independent counsel, accountants, or others it deems necessary to assist in an investigation.

6.0 Membership and Qualifications

- 6.1 Appointments shall be made in accordance with Policy G-43 Committees of the Board.
- 6.2 The members of the Committee shall have a general understanding of business and finance, and not-for-profit association financial issues. They shall be able to read and evaluate financial statements at a similar level of complexity as the Society's financial statements.
- 6.3 Committee members may not include Officers, staff, or members of the Business and Finance Committee.
- 6.4 A person providing services to the Society for compensation, or a major customer of the Society is not to be considered independent and may not serve as a member of the committee.

7.0 Reporting Requirements

Written reports of committee activities, review findings, and recommendations, if any, shall be submitted to the Board of Directors thirty (30) days prior to each meeting of the Board of Directors.