

## **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*

### **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, Qualifications and Chair**

- 6.1 The Audit Committee shall consist of three (3) voting members nominated by the Chairperson of the Board and approved by the Board of Directors. Two (2) members shall be members of the Board of Directors, and one (1) shall be a voting member of the Society. Committee members may not include Officers, staff, or members of the Business and Finance Committee.
- 6.2 In filling vacancies due to resignation or any other reason, the term of such appointments shall be until the expiration of the original term. Vacancy appointments shall be made by nomination of the Chairperson of the Board and approved by the Board of Directors.
- 6.3 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. Members shall be independent, free from any relationship that would interfere with the exercise of their independent judgment. 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.
- 6.4 The Chairperson of the Board shall appoint the committee Chair.

**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.