



Purpose

The purpose of the Audit Committee is to establish policies and practices to help ensure the Pool's financial integrity, legal compliance, and adherence to financial management guidelines.

Authority

1. Interlocal Agreement, Sections 3 (Powers) and 4 (Board of Directors); and
2. Bylaws, Article V, Section 22 (establishment of committees)

Policy Statement

The Audit Committee shall consist of all members of the Executive Committee. The President shall chair the Audit Committee. The Pool's Executive Director shall attend all meetings. Committee members shall be free from any relationship that in the opinion of the Audit Committee, and after conferring with legal counsel, would interfere with the exercise of their independent judgment.

The Committee shall meet at least two times annually and shall report to the Board at least once per year. The Chair may call meetings as deemed necessary and shall establish the time, date, and place thereof. The Committee may meet during a regular Executive Committee meeting provided the meeting is a separate agenda item.

Responsibilities

The Committee's primary responsibilities are to:

1. Serve as an independent and objective monitor of the Pool's financial reporting processes and internal control systems;
2. Review the audits performed by contracted CPAs, the State Risk Manager, and the auditors;
3. Serve as a conduit for communications between the contracted CPA, auditors, the Pool's management, and the Board;
4. Assess deficiencies, issues of non-compliance or poor practices, and make recommendations for corrective action; and
5. Assess the financial condition of any captive insurer in which the Pool has a financial stake.

In accordance with these responsibilities, the Committee may:

1. Review any documents, processes, or procedures related to the reporting of the Pool's financial condition;
2. Review the use of any contracted CPA, their fees, independence, and effectiveness;
3. Meet with the Pool's Staff, regulatory bodies, or auditors to review any issues regarding adherence to policies and practices;
4. Conduct independent investigations of the Pool's finances as needed. The Pool shall provide adequate resources for such investigations;
5. Review Governance Policies including, but not limited to, Finance policies and the Ethics Policy;
6. Review financial management guidelines;
7. Review activities, organizational structure, and qualifications of the auditors, if applicable, to determine the effectiveness of internal controls; and

8. Meet separately or collectively with management, contracted CPA, and auditors to review any difficulties encountered during the Pool's financial audit.

Amendment

This policy may be amended by the Executive Committee.

<p>DocuSigned by: <i>Staci Jordan</i> 34E1151AA6C34A5... Staci Jordan, President</p>	<p>Attest: DocuSigned by: <i>Danette Brannin</i> D36D24B317C2410... Danette Brannin, Secretary</p>	<p>Approved to as form: DocuSigned by: <i>Richard L. Hughes</i> 8708AFD752304CC... Richard Hughes, General Counsel</p>
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Policy History

The Pool has had several audit committees since its inception. The Audit Committee hereby established shall be the Pool's only audit committee. All other audit committees are hereby abolished.

Revised March 23, 2017

Revised September 27, 2018

Revised April 25, 2019