



AUDIT COMMITTEE BYLAWS

Purpose Statement:

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities by reviewing the systems of internal controls that management and the Board of Directors have established and the audit process.

Duties:

- Recommend selection, retention, and when necessary, replacement of the external auditor
- Review the engagement letter from the external auditor for all audit and compliance services
- Review the scope and approach of the annual audit, including the identification of business and financial risks and exposures, with the external auditor
- Confirm the independence of the external auditor
- Annually review with management and the external auditor:
 - The management letter
 - The society's annual financial statements and related footnotes
 - The external auditor's audit of the financial statements and the auditor's report thereon
 - Any significant changes in scope required in the external auditor's plan
 - Any serious difficulties or disputes with management encountered during the course of the audit
 - Changes in accounting principles, including the rationale for such changes and their impact on the financial statements
 - The representation letter from the Executive Director and chief financial executive certifying the fair representation in all material respects of financial information
 - The adequacy of internal controls
- Report to the Board of Directors on the annual audit and make a recommendation regarding acceptance.
- Annually review and reassess the adequacy of the Audit Committee's bylaws and propose changes to the board for approval.

Structure:

This committee consists of three members of the Board of Directors: the Financial Planning Officer, Past President, and Vice President. The committee is chaired by the Financial Planning Officer. All members of the Audit Committee must be independent, defined as not having any conflict of interest with any entity doing business with the Society as outlined in the Society's Conflict of Interest policy. Members of the Audit Committee shall have the financial

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competency to understand financial statements and make sound financial decisions. Members of the Audit Committee are not compensated for their services.

Term of Office:

All members serve ex officio during the period for which they hold the qualifying position.

Meetings:

The Committee meets at least twice during the year. One meeting, typically in the first quarter, is held to review the schedule for the prior year audit and the committee bylaws. A second meeting, typically in the second quarter, is held to review the audit report and formulate a recommendation to the Board. Other meetings can be called by the chair as needed.

Quorum:

Three voting members in attendance shall be considered a quorum. In addition to those members who are present in person at a meeting, members shall be deemed as present at such meeting if a telephone or other communication equipment by means of which all persons participating in the meeting can hear each other at the same time is used. The act of a majority of the members at a meeting at which a quorum is present shall be the act of the Audit Committee.

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