

# California Academy of Family Physicians: Audit Committee Charter

The CAFP Audit Committee (AC) was established by CAFP to ensure financial transparency for the organization. The AC hires the CAFP accounting/auditing firm, oversees CAFP financial reviews and audits, and works to resolve any accounting or recordkeeping issues that may arise.

## Responsibilities

### **Oversee Financial Audit**

The AC is responsible for securing an independent financial auditor and regularly reviewing the auditor's performance.

### **Review Audit and Audit Process**

The AC shall monitor the audit process, review the draft audited financials, and review other yearly CAFP financial documents. The AC will make a recommendation about the audit and other financial documents to the CAFP Board of Directors.

### **Monitor Internal Controls**

The AC is responsible for ensuring policies and procedures for CAFP financial transactions are documented, reviewed, updated and followed. This is primarily done by helping to develop CAFP financial internal controls processes, and monitoring adherence with these internal controls policies. The AC may also review and update policies that protect CAFP assets and ensure transparency including policies pertaining to capital purchases and insurance requirements.

## Committee Structure

### **Members, Terms and Appointment Process**

The AC shall consist of five members. Members will be selected by the Executive Committee in consultation with the CAFP CEO.

AC members may serve up to (three) two-year terms. Founding member initial terms will be staggered to ensure continuity, and thus may be extended for up to one year.

### **Leadership**

The AC will have an appointed Chair and Vice Chair with the following responsibilities:

- Chair: The CAFP Secretary-Treasurer serves as Chair of the AC. The Chair will serve as the principal liaison between the committee and the full CAFP Board of Directors. The Chair will work with the CEO to set agendas and ensure materials are developed and distributed in a timely manner. The Chair will present audit reports to the BOD at quarterly Board meetings.
- Four At-Large Members
- CAFP CEO – non voting

### **Committee Member Requirements**

Committee members must have an interest in and commitment to understanding non-profit finance rules and practices. Committee members must also have a commitment to accountability and the long-term financial stability of the CAFP. To be eligible, members must be in good standing with AAFP and CAFP.

***Decision Making***

The AC serves in an advisory capacity to the Board and Executive Committee. All recommendations from the AC require a majority (no less than three) vote.

***Meetings***

The AC will meet at least once annually by phone, video conference or in-person to review and discuss the audit prior to submission to the full BOD for approval. Other meetings may be called by the Chair to discuss specific issues such as securing a new auditor.

Committee members must attend all meetings unless an absence is approved in advance by the Chair.

***Statement on Equity***

The AC is committed to promoting diversity and inclusion and striving for health equity. For