The Society of the Four Arts, Inc. Audit Committee Charter

MISSION:
The Audit Committee shall select and employ independent certified financial auditors to examine the books and accounts of The Society at least once per year and at other times as it deems fit. These results shall be provided to the Audit Committee and once reviewed, the results will be discussed with the Finance Committee and recommended by the Audit Committee for adoption by the Board of Trustees. The Committee shall also ensure adherence to the Conflict of Interest Policy and the Whistleblower Policy.

RESPONSIBILITIES:

- Finance Reporting
  - Review and assess financial statements with management and auditors before they are released;
  - Assess key financial statement issues and risks, their impact on reported financial information;
  - Approve changes in accounting principles in financial reports.

- Risks and Controls
  - Review and assess the organization’s risk management process, including the adequacy of controls in areas representing significant risk;
  - Review and assess the organization’s system of internal controls for detecting accounting and financial reporting errors, fraud, legal and tax code violations, and noncompliance with the organization’s code of conduct;
  - Review with legal counsel any matters that may have a material impact on the financial statements.
  - Annually review the Management Representation letter for list of potential risk and control exposure; use 2017 Management Letter for guidance (see attached).

- Auditors
  - Recommend the selection of external auditors, and review their performance;
  - Discuss the findings of any audit, and review their results;
  - Discuss The Society’s accounting, financial, and IT practices with the auditors.
  - Conduct an executive session after each audit committee meeting.

- Other
  - Establish and monitor procedures for treatment of complaints received by The Society regarding accounting, internal controls or auditing matters; use the Whistleblower Policy for guidance (see attached).
  - Review and approve conflicts of interest and related-party transactions; use the Conflict of Interest Policy and its corresponding Compliance Certification for guidance (see attached).
  - Conduct or authorize investigations into any matter within the committee’s scope of responsibilities.

- Committee Membership
  - The committee will be composed of Board of Trustee members of at least four (4) but no more than eight (8) as designated by The Society of the Four Arts Chairman and confirmed by the Board of Trustees.