



Audit Committee Responsibilities

Accountability Workshop
Strasbourg, France
June 5, 2007



Discussion Topics

- Audit committee responsibilities and activities
- Member qualifications and selection process
- Organization and charter
- Required meetings and reporting
- Resource needs

Based in part on KPMG LLP's publication *Financial Management Advisory Committees for Federal Agencies – Suggested Practices, 2003*.



Objectives

- Protect the public interest by promoting and facilitating effective financial management

- Provide advice to organizational head and other officials
 - On financial management and performance
 - Compliance with laws & regulations
 - Internal Controls



Authority

- Review, analyze and make recommendations to auditors and management
- Meet with organizational officials and auditors
- Direct actions or Advise
- Other



Membership

- Designation of chair
 - Appointed by Whom
 - Elected by Whom
- 3 – 6 independent leaders
 - Expertise in financial management, public policy & administration, operations & controls, information technology, etc.
- Term of office
 - 2 year
 - Other



Scope and Responsibilities

- Internal control and compliance
 - Review management's assessment of internal controls and compliance with laws and regulations
 - Review auditors assessment of internal controls and compliance matters
 - Review management's plans for correcting weaknesses or non-compliant matters
- Agency Performance
 - Review financial and program results
 - Identify areas of risks
 - Monitor plans to improve operations
- Financial Report
 - Understand accounting and reporting issues
 - Review process for selecting external auditors
 - Review financial statements and discuss any difficulties with management
- Communications
 - Assure a line of communication between organizational officials and auditors
 - Promptly report significant issues to organizational head
 - Report regularly (annually) to organizational head on activities and recommendations
- Other



Budget

- Pay for time and services
- Travel reimbursement
- Support staff and other resources
 - Provided by whom
 - Independent budget
- Other



Meetings

- Frequency: 3 or more times per year
- Agenda
 - Monitor progress of audit
 - Monitor management activities
 - Meet independently with auditors
 - Closed
 - Open



Access

- To personnel
- To records
- To auditors