

**Girl Scouts of Western Ohio**

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**Date:** February 28, 2008  
**To:** Board of Directors  
**From:** Barbara J. Bonifas, CEO  
**Subject:** Appointment of Audit Committee

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According to the bylaws, Article XII, Section 11, “The Board shall appoint an audit committee to assure objective review of financial activities in compliance with Board policy and sound fiscal practices. This committee shall review the scope of the annual external audit, as well as other direct inspection monitoring as delegated by the Board.

In addition, the Board Policy Manual, Policy 3.7 (Board Committee Structure) states that there will be an Audit Committee to provide the specifications and scope of the external audit and direct inspection monitoring as delegated by the board. The Audit Committee will also evaluate and make recommendations of an outside firm to perform the audit. According to this policy, there will be three to five members of the committee with a diversity of skills, including financial literacy, and will be appointed by the Board Chair.

The draft charges for the Audit Committee are included in the board mailing for board approval. At the March board meeting, I hope to notify the board of the names of Audit Committee members

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**Our Mission**

*Girl Scouting builds girls of courage, confidence, and character, who make the world a better place.*



### **Audit Committee Charges**

**Purpose:** To assist the Board in discharging and performing the duties and responsibilities of the Board with respect to the auditing functions of Girl Scouts of Western Ohio. To fulfill its responsibilities, the Audit Committee has the authority to provide for the conducting of any and all investigations it deems necessary or appropriate, to contact directly the independent auditors, the finance staff, and other advisors and require them to provide any and all information, advice and assistance it deems necessary or appropriate and to retain legal, accounting or other advisors it deems necessary or appropriate.

**Charges:**

1. To recommend to the Board the engagement of an independent public accounting firm to perform the audit for the ensuing year and establish the audit fee.
2. To meet with the external auditors prior to the commencement of the annual audit examination to review their audit plans, scope and engagement letter for the coming year.
3. To review with the auditors, upon completion of their audit:
  - Contents of their report
  - Cooperation received during the audit
  - Transactions outside of normal council business
  - Changes in accounting principles and practices
  - Compliance under the council's conflict of interest policy
  - Litigation that management or the council's legal counsel believe may have a possible significant effect on the financial condition of the council
  - Recommendations for improving internal control, organizational structure, and operations including internal controls and procedures relating to computerized information systems and disaster recovery plans.
4. Review management's response to the management letter and determine whether the agreed upon recommendations have been implemented.
5. Inquire of management and the independent auditors about significant risks or exposures facing the council and review the steps management has taken or proposes to take to minimize such risks to the council.
6. Review IRS Form 990 and state filings for completeness and confirm that they are filed timely.
7. Evaluate the performance of the external auditors.

8. Establish a process for confidential treatment of any complaints on accounting, internal controls, and/or auditing issues.
9. Review the conflict of interest and code of conduct/ethics policies and check that there are systems in place for compliance.

**Limitations:**

Notwithstanding anything herein to the contrary, the duties and responsibilities of the Audit Committee and each of its members is one of oversight and neither the Audit Committee nor any of its members shall have any duty to:

- Plan, conduct, or provide resources for audits
- Determine that financial statements have been properly prepared or financial disclosures are full and complete
- Guarantee or provide other assurances that there are no financial risks or uncertainties or that such risks or uncertainties have been reduced or eliminated
- Act as an expert or provide guarantees, representations, warranties, professional or other certifications or assurances with respect to, or verify, any matter within the scope of this charge.

**Accountability:**

To the Board of Directors

**Composition:**

The Audit Committee will be composed of 3-5 members, and may be made up of members who currently do not serve on the board. All members of the Audit Committee should be financially literate and at least one member should be a financial expert with the ability to analyze financial statements and to competently evaluate the outside auditing firm. Ideally, this individual should be a CPA. No member may have been employed by the council in an executive capacity for at least five years prior to appointment to the Audit Committee. The Board Chair shall appoint one member of the Audit Committee as Chair. The Treasurer shall be an ex-officio member of the Audit Committee and shall not simultaneously serve as the chair of the committee.

**Resources:**

Board Policy Manual  
Girl Scouts of Western Ohio Records/Documentation