Synod Audit Committee Charter
A resource provided by the Office of the Treasurer of the Evangelical Lutheran Church in America

**PURPOSE**

The synod audit committee shall be responsible for assisting the synod council in fulfilling its general oversight of the synod’s accounting, financial reporting and internal control systems.

**AUTHORITY**

Subject to the approval of the synod council, the audit committee shall have the authority to retain special legal, accounting or other consultants to advise the committee. The audit committee shall have the authority to request any officer or employee of the synod, its outside counsel or independent auditor to attend a meeting of the committee, or to meet with members of the committee.

**RESPONSIBILITY**

Synod management is responsible for preparing financial statements in accordance with generally accepted accounting principles (GAAP), maintaining a system of internal controls and complying with appropriate laws and regulations. The independent auditor is responsible for performing an independent audit as a basis for providing an opinion that the synod’s financial statements are fairly presented in accordance with GAAP. The synod audit committee is responsible for reviewing significant accounting and reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

**MEMBERSHIP**

The synod audit committee shall consist of 3 to 6 persons, independent of the synod’s management staff, who shall be elected by the synod council for a term of three years, with potential for one consecutive election to another three year term. The terms of the committee members shall be staggered.

The chair of the committee shall be a member of the synod council and shall be appointed by the council chair. Members of the committee will have no personal relationship to synod management nor have a business relationship with the synod that may interfere with the exercise of the member’s independence. All members of the synod audit committee shall be financially knowledgeable and at least one member shall possess financial expertise in the area of accounting or financial management.

In order to provide for an effective committee, attendance at the audit committee meeting is required of all members. Upon two successive absences that have not been approved by the committee, the member’s position shall be declared vacant by the chair.
The audit committee will meet at least two times per year or more frequently as circumstances require. Meeting agendas will be cleared by the committee chair in advance of the meeting. Minutes may be prepared by one of the synod’s staff and will be approved by the committee and maintained in the permanent records of the synod.

The synod audit committee shall have the following duties and responsibilities with respect to:

**Financial Statements**

Inquire of the independent auditors and synod management as to the acceptability and appropriateness of financial accounting practices and disclosures used or proposed.

Review the synod’s audited financial statements and related footnote disclosures and consider whether they are complete and consistent based on information known to committee members.

Discuss with the independent auditors, the effect of regulatory and accounting initiatives on the synod’s financial statements.

Review with the independent auditors any matters related to the conduct of the audit which are required to be communicated to the committee under generally accepted auditing standards, including, but not limited to, any significant changes required in the original audit plan or any serious difficulties or disputes with synod management during the course of the audit.

**External Audit**

Recommend to the synod council the engagement, retention or discharge of the independent auditors and consider the appropriateness of rotating independent auditors on a regular basis.

Evaluate the performance of the independent auditors.

Review and approve the independent auditors’ audit fees and the proposed audit plan.

Review and confirm the independence of the external auditors by monitoring fees paid to the auditors for consulting or other non-audit services and reviewing any relationships that may impact the objectivity or independence of the auditor.

**Internal Control**

Review any internal control comments and recommendations in the independent auditor’s management letter that are classified as material weaknesses or reportable conditions as well as management’s response to these comments and recommendations.
Communication and Reporting

Meet, in separate executive sessions, as necessary, with the independent auditor or synod management to discuss any matters that the audit committee believes should be discussed privately.

Provide for an open avenue of communications between the independent auditor and the synod audit committee chair.

Review and assess the adequacy of this Charter annually and submit proposed changes to the synod council for their review.

Report the committee’s performance of the duties and responsibilities defined in this charter, including any recommendations the committee deems appropriate, to the synod council.

The effective date of this Charter is: Month-Date-Year.