

AIGA National Board of Directors: Audit & Ethics Committee Charter

Effective November 23, 2020

Nonprofit boards have the responsibility to provide oversight of the financial reporting process, the audit process, the organization's system of internal controls and compliance with laws, regulations, and the highest ethical standards of practice. This Committee of the Board is being formed with the intent to auspice AIGA's systems, structures, practices, and to protect the organization, its members, and the taxpaying public from risks.

Charge/Purpose:

As with all AIGA National Board Committees, the Audit & Ethics Committee is responsible for supporting the mission, vision, and purpose of AIGA, the professional association for design.

The primary purpose of the Audit & Ethics Committee (the "Committee") is to assist the AIGA National Board of Directors (the "Board") in fulfilling its responsibility to oversee management's conduct of the AIGA's (the "Organization") financial reporting process and the integrity of its financial statements, the Organization's accounting, internal controls and internal audit function, the qualifications, performance, and independence of the Organization's independent auditors, the Organization's legal and regulatory compliance, and the ethics of its programs and systems.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Organization and the power to retain outside counsel, auditors or other experts for this purpose. These parties are ultimately accountable to the Board and the Committee.

Composition:

The Committee reports to the Board. The Committee is composed of one Committee Chair, and 2-4 additional Committee members. The President of the Board of Directors (Board Chair) shall appoint the Committee Chair from the Board's independent Board Members and may also sit in on meetings.

The Committee Chair will serve a one-year term beginning July 1, with the possibility of reappointment through the end of their Board service. A Vice-Chair may also be appointed from the Board from time to time to ensure continuity of information and/or support with succession planning for the Committee Chair position.

Vacancies in the Membership of the Committee may be filled by appointments made in the same manner as provided in the case of the original appointments or by the Board Chair. The Board may remove a Committee member from the Committee at any time, with or without cause.

Qualifications:

- Must be a voting member of the Board of Directors in good standing:
 - Desire to advance the mission of the Organization
 - Member of the organization in good standing
 - Up-to-date Conflict of Interest disclosures, with no conflicts being investigated
 - Up-to-date signature on the Organization's ethical conduct statements
 - In compliance with Board attendance requirements
- A collaborative team player
- Ability to make the necessary time commitment
- Not an active employee or have been employed by the Organization within the past 3 years
- Received no compensation from the Organization for work or services amounting in a payment of \$10K or more

- No relatives who service or operate within a key role within the Organization

Time Commitment/Expectations:

- Approximately 3 hours a month (mostly at their pace), this includes:
 - Submit short written updates to the Committee Chair at least a week in advance of quarterly Committee meetings (to be added to Committee meeting materials)
 - Review all materials/agenda prior to each quarterly Committee meeting
 - Attend and contribute to quarterly Committee conference/video calls (estimated length: 1-2 hrs)
 - Be an ambassador and support membership and community engagement and networking (from Board position)
 - Review and provide content updates to the Annual Report
- In the future, Committee members may also attend an in-person Committee meeting at the Conference and/or Leadership Retreat (event discounts would apply)

Responsibilities:

Investigate & Make Decisions:

- Assess the qualifications, performance, and independence of the Organization's independent auditor(s)/CPA
- Research, compare qualified options, and recommend a new independent auditor every 3 years
- Engage actively with key staff in order to have insight on areas of Organizational risk (including: financial, ethical, data and security risk, among others) and provide recommendations on additional controls, processes, and standards
- Investigate and ethically handle complaints of Organizational financial mismanagement

Make Recommendations:

- Collaborate with Committee members in recommending actions to the Board in an effort to help AIGA meet its mission, vision, and values
- Standards of ethics for the Organization
- Improvements to AIGA's Code of Conduct
- Strategies for assessing and strengthening Organizational health, including that of officially AIGA affiliated entities
 - Agenda and topic ideas for AIGA trainings
- Strategies for communicating improvements to Organizational ethics and financial assessments and protections

Provide Input:

The following may happen asynchronously outside of the regular Committee meetings to ensure timely responses to active work conducted elsewhere.

- Audits (under the purview of the Finance Committee)
- Partnership intake framework (under the purview of the Corporate Relations Committee)
- Adjustments to AIGA's By-Laws (under the purview of the Executive Committee)
- Infrastructure and tools to support the community
- Strategic plan; annually through the Committee Chair as a Board liaison

Monitor:

- Financial and ethical complaints made against the Organization, the Board, or Directors

Meetings:

- **Cadence.** Committee shall meet a minimum of once a quarter.
- **Quorum.** A majority of the whole committee shall constitute a quorum and the act of a majority of the Members present at a meeting at which a quorum is present shall be the act of the committee.

Reporting:

The Committee Chair will keep minutes of all committee meetings and will also prepare written reports for the Board on a quarterly basis (minimum) and on an as-needed basis for additional Board meetings. From time to time, the Committee Chair may be asked to speak to the work of the Committee in an AIGA leadership or community forum. The Committee Chair will review and provide content updates to the Annual Report.