

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)**  
**AUDIT COMMITTEE CHARTER**  
Established: December 12, 2018

**Introduction**

The MCERA Board of Retirement (Board) has established an Audit Committee to assist it in overseeing the audit function within MCERA. Audit Committee recommendations are subject to final approval by the Board.

**Purpose**

The purpose of the Audit Committee is to serve as an advisory committee to the Board on matters relating to the integrity of the MCERA trust fund's financial reports, operations, and internal controls. The Audit Committee helps promote and enhance effective internal controls for MCERA operations and oversees communication between external auditors and management.

**Membership**

The Audit Committee will consist of at least three and no more than five members of the Board. The Board Chair will appoint members of the Audit Committee as provided in the MCERA Election and Duties of Board of Retirement Officers Policy and designate one member to serve as the Committee Chairperson.

Ideally, members should have expertise in accounting, auditing, financial reporting, and internal control. Although these desired traits are not mandatory, members should be sufficiently knowledgeable about these topics to make informed recommendations to the Board with the assistance of a financial expert.

**Meetings**

The Audit Committee will meet at least twice each year, with authority to convene additional meetings as circumstances require. All Audit Committee members are expected to attend each meeting. The Retirement Administrator or Accounting Unit Manager will attend the Audit Committee meetings and may request that other staff attend the meetings.

**Responsibilities and Duties**

The Audit Committee will:

- a. Coordinate the process for selecting or retaining the external auditor ("Auditor"), if necessary, and will make recommendations to the Board;
- b. Ensure the independence of the Auditor;
- c. Meet with the Auditor to review the scope of the financial audit, including the responsibilities of the Auditor, and the timing and estimated budget for the audit;

- d. Meet with the Auditor to review the audit findings;
- e. Meet with MCERA management to discuss management's response to the audit findings;
- f. Report to the Board on the audit findings and management's response to the findings;
- g. Meet with senior management, at least annually, to discuss the effectiveness of the internal financial and operational control policies;
- h. Review significant changes in accounting standards, policies, or practices that may impact MCERA and report the results of that review to the Board of Retirement.

### **Charter Review**

The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.