

# MOSERS

## Audit Committee Charter

### Introduction

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The audit committee (the “Committee”) plays an important role in providing a structured, systematic oversight of MOSERS’ risk management, internal control practices, and operating budget. The Committee assists the Board by providing any necessary recommendations to the Board relative to the following areas:

- Value and ethics;
- Risk management;
- Fraud;
- Internal control framework;
- Internal audit;
- External audits; and
- Operating budget.

### A. General Guidelines

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1. The Board Chair shall appoint at least three but no more than five board members to serve on the Committee. The Board Chair will designate a Trustee to serve as committee chair.
2. The Committee will set an annual schedule of meetings, but may meet more frequently as the committee deems necessary.
3. The Office of Internal Audit is required to attend all Committee meetings.

### B. Duties and Responsibilities

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In addition to the responsibilities listed herein, the Committee will carry out any other functions or duties as assigned by the Board.

1. Value and Ethics – To obtain reasonable assurance with respect to MOSERS values and ethics practices, the Committee will review and make any necessary recommendations regarding the systems and practices established by management to monitor compliance with laws, regulations, policies, and standards of ethical conduct.
2. Risk Management – To obtain reasonable assurance with respect to the MOSERS risk management practices, the Committee will review and make any necessary recommendations regarding the risk management processes established and maintained by management and the procedures in place to ensure that they are operating as intended.
3. Fraud – To obtain reasonable assurance with respect to the organization’s procedures for the prevention and detection of fraud, the Committee will ensure management and internal and external auditors have appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.
4. Internal Control Framework – The Committee will review and make any necessary recommendations regarding the controls of the organization as a whole and its individual units.

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5. Internal Auditors – To obtain reasonable assurance with respect to the work of the internal audit activity, the Committee will:
  - a. Review and approve the internal audit charter annually.
  - b. Review and provide input on the risk-based internal audit plan, objectives, performance measures, and outcomes.
  - c. Review internal audit reports and other communications to management.
6. External Audits – The Committee is responsible for reviewing and making any necessary recommendations to the Board regarding the process or findings of external audits of MOSERS, including but not limited to:
  - a. financial statement audits;
  - b. information technology security audit; and
  - c. actuarial audit.
7. Operating Budget – The Committee is responsible for reviewing the proposed budget by the executive director and making any necessary recommendations to the Board. This review may also include:
  - a. the previous year’s budgeted expenditures and actual expenditures; and
  - b. the current year’s budgeted expenditures and actual expenditures (to the extent available).
8. External Auditor Selection – The Committee is responsible for reviewing and making any necessary recommendation related to the selection or termination of any external auditor selected by the Board.

### **C. Charter Review and History**

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1. This charter will be reviewed by the Board at least every five years for continued relevancy and appropriateness.
2. The Board adopted this charter on November 15, 2018. The Board approved changes to this Charter on June 18, 2020.