

Board of Directors Policy Manual

Policy Statement
Policy No.: 8.03

APPROVAL: 10/08

FINANCIAL AUDITING

I. PURPOSE

The purpose of financial auditing is to conduct those activities and compile the information as is necessary for the S.A.V. Board of Directors to properly execute their fiduciary responsibilities.

II. RESPONSIBILITIES

The Board of Directors, acting in concert with the Auditing Committee, shall be responsible for implementing this Policy. The Board shall clearly define, in writing, the specific responsibilities and authority of the Auditing Committee and shall make every effort to develop a strong, active Auditing Committee to effectively assist the Board in monitoring the financial management of the Corporation.

III. FINANCIAL AUDITING FUNCTIONS

Implementation of this Policy shall include but not be limited to the following functions.

A. Oversight: The oversight of the S.A.V. internal accounting central structure shall be the primary focus of the Auditing Committee. The Auditing Committee shall review expenditure approvals and supporting documents and contributions. The Auditing Committee shall establish strong controls to enhance the preparation of financial reports in accordance with generally accepted accounting principles and to assist in fulfilling the Board of Directors' fiscal responsibility.

B. Appointment of external Independent Auditors: The Chief Financial Officer and the Auditing Committee shall make a recommendation to the Board of Directors as to a qualified Certified Public Accounting firm to examine and issue a report to the Board of

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Directors on the S.A.V. annual financial statements each year. The final selection of the external Certified Public Accounting firm shall be the responsibility of the Board of Directors.

C. Scope of Audit: A pre-audit conference shall be held between the Chief Financial Officer, the Chairperson of the Auditing Committee and the independent Certified Public Accounting firm to establish the scope of the external audit.

D. Review of the preliminary audit report: Upon completion of the preliminary annual external audit report, the President, Vice-President/Chief Financial Officer, Treasurer and the Chairperson of the Auditing Committee shall meet with the independent external auditor to review the report for clarification of the findings and to discuss any areas of disagreement. Attendance at this meeting shall be by specific invitation to those individuals directly involved.

E. Presentation of the Final Audit Report: Upon completion of the final audit report the Chairperson of the Auditing Committee, will present such annual financial report to the Board of Directors, upon their invitation and at a date specified. The Board of Directors shall review the report and the members of the Board may address any question or concerns they may have relative to the report, the content of a “management letter” or other S.A.V. financial matters. The Auditing Committee, at the direction of the Board, shall review and implement any corrective action recommended by the independent external audit report as appropriate.

F. Other Functions: In further assistance to the Board of Directors, the Auditing Committee may be charged with special assignments, to wit:

1. Perform or review special investigations.
2. Review compliance with grant guidelines and policies concerning financial matters.

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3. Conduct other examinations of financial matters as directed by the Board of Directors.