

# LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY AUDIT COMMITTEE CHARTER

## **A. PURPOSE:**

The primary purpose of the Audit Committee is to assist the Leon County Research and Development Authority (LCRDA) Board of Governors and management in fulfilling its financial and fiduciary responsibilities. In fulfilling that purpose, the Audit Committee shall oversee the processes that the LCRDA establishes in maintaining effective control systems for accounting and financial reporting.

Therefore, the Audit Committee shall:

Oversee the processes used to:

- i) assess the Authority's internal control environment, and
- ii) to identify, evaluate, and mitigate the associated risks;

Monitor the financial reporting process; and

Oversee the external audit and internal review processes.

## **B. COMMITTEE MEMBERSHIP:**

The Audit Committee shall be comprised of not less than three members of the Board of Governors, appointed by the Chairman of the Board of Governors. The Chairman of the Board shall appoint a member to serve as Chair of the Audit Committee.

## **C. COMMITTEE RESPONSIBILITIES:**

To fulfill its responsibilities, the Audit Committee shall:

### General Responsibilities:

- Provide avenues of communication among the Board of Governors, the Executive Director, and the independent auditors.
- Review the Audit Charter at least annually, and make recommendations for modifications, if any, to the Board of Governors.
- Review the report of the independent auditors, including any recommendations for improvements in the Authority's financial management or practices.

### Internal Control Systems:

- Review the adequacy and effectiveness of internal controls over the financial accounting and reporting systems.
- Receive reports from management, and the independent auditors regarding the adequacy of the Authority's financial accounting and reporting policies, procedures, and practices.
- Oversee the investigation and disposition of any suspected cases of fraud or irregularity. Ensure that appropriate actions are taken to strengthen the Authority's administrative or financial practices, where necessary.

### Financial Reporting Processes:

- Review the Authority's annual financial statements.

### Independent Auditors:

- Recommend to the Board of Governors the selection of the independent auditors.
- Review the performance of the independent auditors, including the adequacy of the audit scope and audit plan.
- Continually evaluate the independence of the independent auditors.
- Periodically meet with management and the independent auditors to discuss:
  - Difficulties or restrictions encountered in conducting the audit;
  - Disagreements between management and the independent auditors in the preparation of the financial statements;
  - Significant changes in financial reporting practices or the Authority's internal control systems; and
  - Recommendations for improvements in the financial policies, procedures, and practices of the Authority.

**D. COMMITTEE MEETINGS:**

The Audit Committee shall meet at least twice annually, but more frequently if circumstances warrant. A majority of members of the Committee constitute a quorum for meeting purposes. To foster open and effective communication, the Audit Committee shall meet at least annually with management and the independent auditors.

The meeting shall operate in accordance with Robert's Rules of Order. Minutes of Audit Committee meetings shall be prepared, distributed to the Board of Governors and management and be made available and retained in accordance with the public records laws in the state of Florida.

The Audit Committee Charter is effective as of October 1, 2010.

Amended by the Audit Committee on November 5, 2012, and approved by the Board on November 19, 2012.