MENDOCINO COUNTY EMPLOYEES RETIREMENT ASSOCIATION

AUDIT COMMITTEE CHARTER

I. PURPOSE AND BACKGROUND

The Board of Retirement has established an Audit Committee to assist the Board in overseeing the Audit functions within MCERA. The Audit Committee will make recommendations on matters pertaining to the annual financial audit of MCERA to the Board of Retirement. The Board Chair will appoint four members of the Board to the Audit Committee and designate one member to serve as the committee chair.

II. COMMITTEE RESPONSIBILITIES

The Audit Committee will, from time to time, as determined to be in the best interest of MCERA:

1. Examine and recommend to the Board for approval the objectives and scope of the annual financial audit, including the audit plans of the external financial auditor, the duties and responsibilities of the external financial auditor, and the timing and engagement fee of the annual financial audit;
2. Meet with the external financial auditor to review and discuss the annual financial statements;
3. Review the findings of the external financial audit and review the Management Letter, and any response thereto;
4. Meet with the Executive Director, at least annually, to discuss the effectiveness of the internal financial and operational control policies;
5. Review the engagement of the external financial auditor at least every three years and make recommendations to the Board as to the appointment or recruitment of the external financial auditor;
6. Review the findings or comments of any regulatory agencies concerning financial statements or other information of MCERA;
7. Review, at least every three years, the performance and independence of the external financial auditor, including the impact of any non-audit services performed for MCERA by the auditors, or any affiliate thereof, on such independence;
8. Review any significant changes in accounting practices or policies that may have an impact on MCERA or the Fund; and
9. Any other duties assigned to the Committee by the Chair of the Board.

III. CHARTER REVIEW

This Charter is subject to change in the exercise of the Board's judgment. The Board shall review this Charter at least every three years to ensure that it remains relevant and appropriate and consistent with state and federal laws and regulations.

IV. POLICY HISTORY

This Charter was adopted by the Board of Retirement on February 20, 2013.

This Charter was reviewed and amended by the Board of Retirement on April 16, 2014.

This Charter was reviewed and amended by the Board of Retirement on May 18, 2016.

This Charter was reviewed by the Board of Retirement on April 18, 2018.

This Charter was amended by the Board of Retirement on May 15, 2019.