

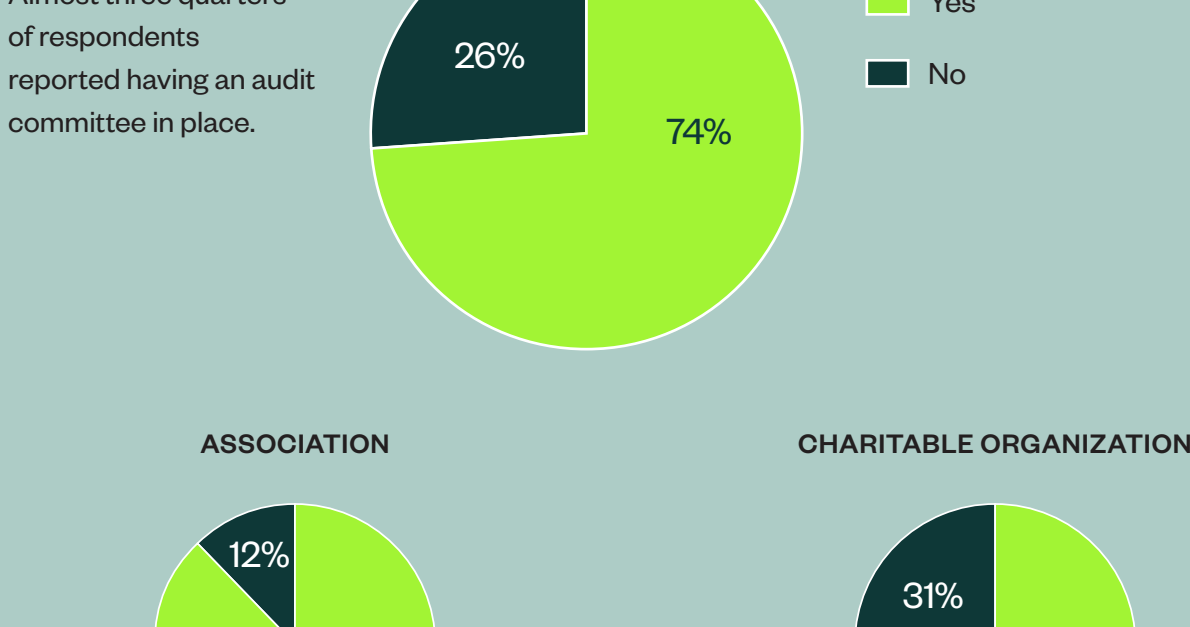
AN INSIDE LOOK

Not-for-Profit Audit Committees

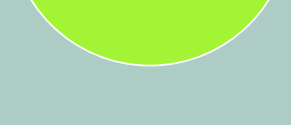
Accurate information about your industry is often the key to assessing your own operations. We've created a series of trend spotlights specifically for not-for-profits—including higher education—to look at decisions other groups are making as well as industry trends.

The fourth installment in this series includes insight from 181 organizations across the nation and focuses on their audit committees.

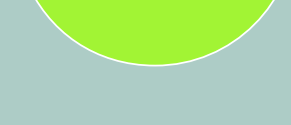
WHO HAS AN AUDIT COMMITTEE?



ASSOCIATION



CHARITABLE ORGANIZATION



FOUNDATION

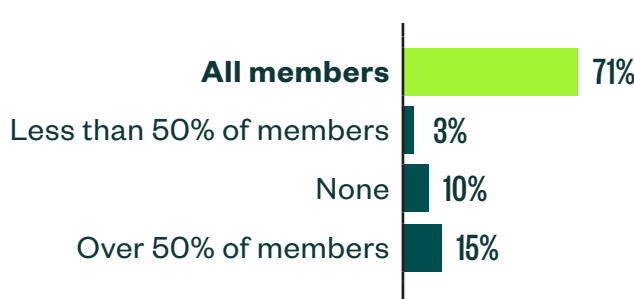


HIGHER EDUCATION



MEMBERS

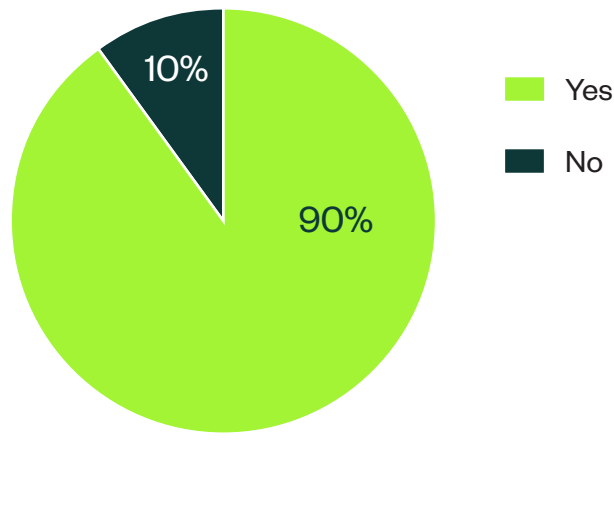
INDEPENDENCE



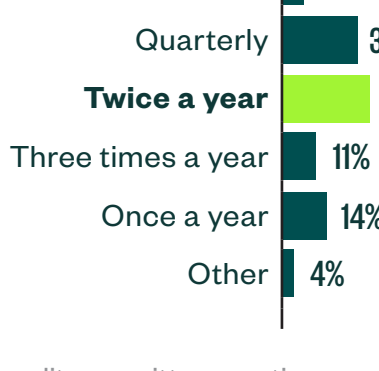
More than half of respondents reported all members of their audit committee as being independent. Only about 10% reported having no independent audit members.

FINANCIAL EXPERT

Additionally, over 90% of respondents reported having a financial expert on their audit committee.

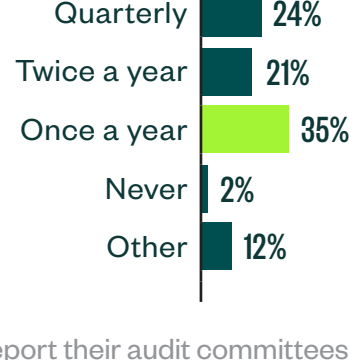


MEETINGS



According to survey results, audit committee meetings are most likely to occur on either a quarterly or biannual basis.

REPORTING

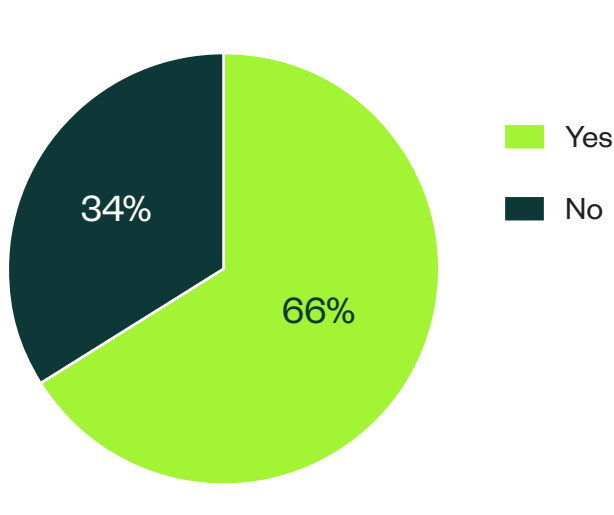


Respondents were most likely to report their audit committees as reporting to the organization's full board on an annual basis. Closely following that are quarterly reports—at 24%—and biannual reports—at 21%.

RISK-MANAGEMENT RESPONSIBILITIES

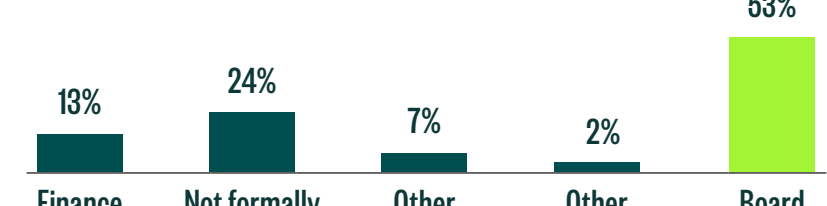
ORGANIZATIONS WITH AN AUDIT COMMITTEE

More than half of respondents that reported having an audit committee shared that the committee oversees risk management for the organization.



ORGANIZATIONS WITHOUT AN AUDIT COMMITTEE

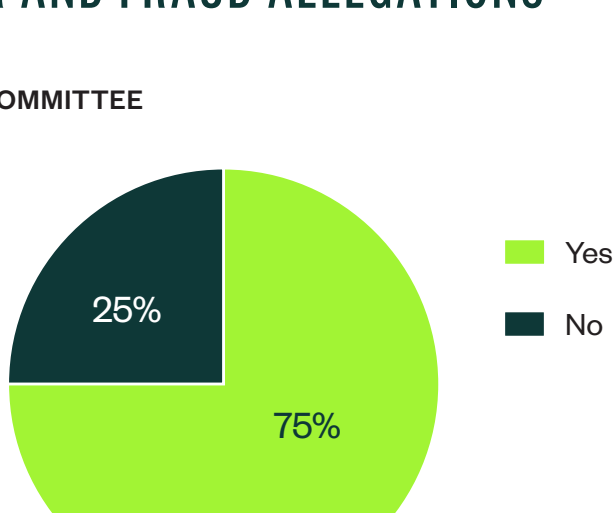
For those respondents without an audit committee, more than half reported that their board oversees risk-management efforts.



WHISTLE-BLOWER AND FRAUD ALLEGATIONS

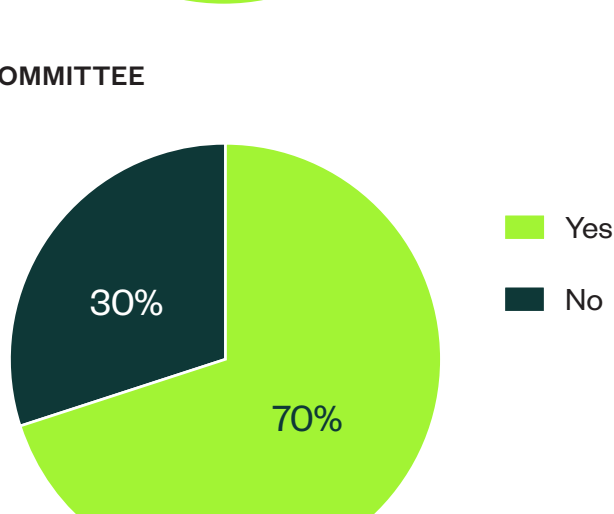
REVIEWED BY AN AUDIT COMMITTEE

Approximately 75% of respondents with an audit committee reported that whistle-blower and fraud allegations are reviewed by the committee.



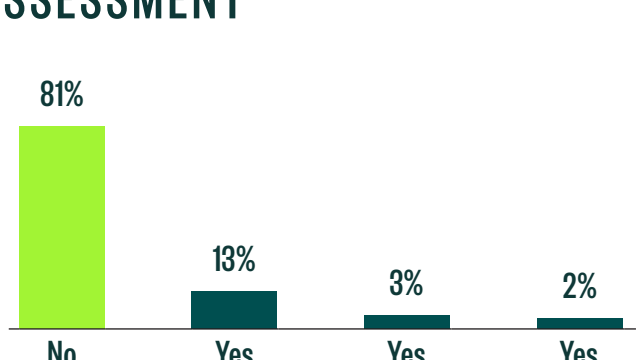
RESOLVED BY AN AUDIT COMMITTEE

Slightly fewer of these respondents—approximately 70%—reported that allegations are resolved by the audit committee.



FORMAL SELF-ASSESSMENT

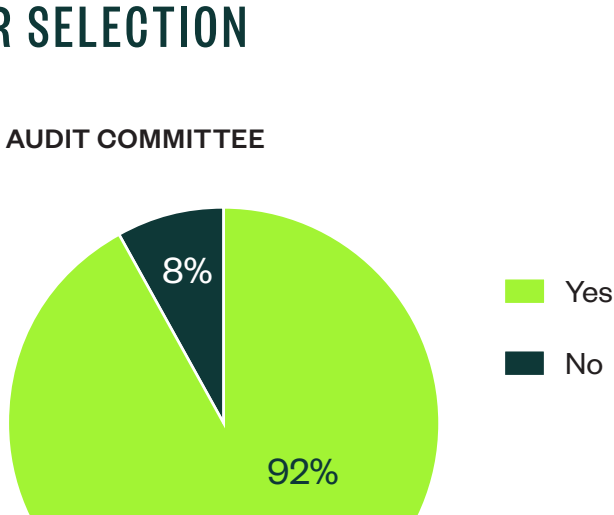
More than 80% of respondents with an audit committee shared that their committee never conducts a formal self-assessment.



OUTSIDE AUDITOR SELECTION

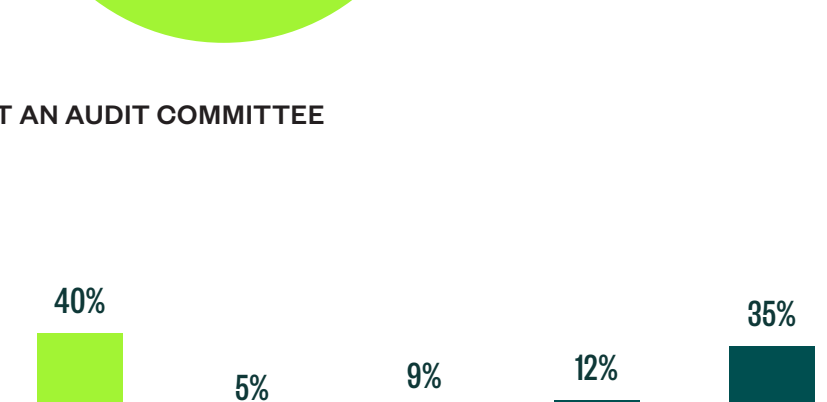
ORGANIZATIONS WITH AN AUDIT COMMITTEE

Audit committees were largely reported as being in charge of selecting the organization's outside auditor.



ORGANIZATIONS WITHOUT AN AUDIT COMMITTEE

The majority of respondents reported either the finance committee—about 40%—or the board—approximately 35%—as the entities tasked with overseeing outside auditors.



Respondents from each industry: higher education (27), foundations (24), charitable organizations (122), and associations (3).

CONTACT US

If you have questions about the survey results or methodology, please email surveys@mossadams.com.

Visit mossadams.com/NFP for more information.

