**Junior Achievement State Board Finance & Audit Committee**

 *September 2023*

**Purpose**

The Finance & Audit Committee (FAC) shall be a standing Committee of the State Board. The purpose of the FAC shall be to provide oversight of the financial records, financial statements, internal controls and for the property, equipment, investments and other assets of for Junior Achievement of Arizona, Inc..

**Scope of Responsibilities**

* Reviews and approves budget; and recommends approval to the State Board of Directors.
* Ensures that proper and complete interim financial records are maintained and reported in a timely manner to the State Board, including any significant year-to-date variances.
* Considers the effectiveness of the internal controls over annual and interim financial reporting, including information technology security and control.
* Understand the scope of external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
* Serve as the body to which the external auditing firm directly reports.
* Review the external auditors' proposed audit scope and approach.
* Review the proposals and qualifications of the external auditors, and report to the State Board of Directors the appointment, discharge and compensation of auditors.
* Review with management and the external auditors the results of the financial statement audit.
* Make a recommendation to the State Board of Directors as to the acceptability of annual financial statements and related audit.
* Review the 990 before submission and report to the full board that the review has been completed.
* Makes recommendations to the State Board on methods of investment of excess funds and monitors investments on an on-going basis. The Committee will meet quarterly with current managed account institution to review return on funds placed and to assess appropriateness of investments.
* Oversees compliance of Junior Achievement pension and other retirement plans.

**Structure - Composition**

The Finance Committee shall consist of three or more members including at least two Board members, and shall collectively possess expertise and experience in accounting, financial reporting, and investment knowledge. Others may participate to accomplish the scope of responsibilities as well. The work is done in partnership with the staff and is collaborative in nature. The Committee may develop sub-Committees to address issues as needed. Committee Members will be approved by the State Board.

**Committee Chair**

The State Board Treasurer will serve as the Committee chairperson, responsible for leading the Committee, holding Committee members accountable and reporting to the State Board.

**Committee Member Terms**

Each Committee member shall serve one-year terms, renewable annually.

**Administrative or Staff Liaison**

Controller or chief financial officer will serve as staff liaison.

**Meetings**

The Committee will meet no fewer than six times per year. Minutes will be taken and distributed to members after each meeting.

**Self-Assessment**

The Committee shall evaluate success and performance through the Board survey.

**Voting**

A quorum consists of a third of the total Committee members*, attendance may be in person or by electronic means.*