

Audit Committee

(Special)

Audit Committee Charter:

Purpose:

The Audit Committee is recognized by authority of the Cooperative's by-laws Article XX, as a special committee. The purpose of the committee is to assist the BOD in fulfilling its oversight responsibility relating to the integrity of the corporation's financial statements and its systems of internal accounting and financial controls. The committee is to fulfill requirements as outlined in Article XIX Section Two of the cooperative's by-laws.

Responsibility:

In discharging its responsibilities the committee is responsible with the planning and conducting of annual audits for determination that the corporation's financial statements are complete and accurate and in accordance with generally accepted accounting principles and practices. Special audits can be completed at the discretion of the BOD.

Members:

The members of the committee shall be appointed by the BOD. To avoid any conflict of interest the Board should refrain from appointing members that have a direct link to the corporation's finances. The treasurer of the corporation shall oversee the audit process once the committee has been appointed. Also, the Board will appoint the committee's chairperson to provide leadership to the group. Additionally, the BOD has the authority to remove anyone of the committee with or without cause. Members will be appointed early in the fiscal year to allow adequate time for conducting the annual audit. The numbers of members appointed to the committee shall be determined by the BOD but, a minimum of (3) three Sunscap members are required to be appointed to the committee.

Meetings:

Once appointed by the Board, the committee will immediately conduct its first meeting to begin planning the audit. The chairperson will make audit assignments base on experience and expertise of the individuals on the committee. Additional meetings will be held at the discretion of the audit chairperson; but, a meeting will be held to discuss the results of the audit and to prepare the final report to the BOD.

Agenda, Minutes and Reports:

An agenda, together with all materials relating to the subject matter of each meeting shall be sent to the members prior to the scheduled meeting. Minutes for all meetings of the committee shall be prepared to document discharge of its responsibility. Minutes shall be approved by all members and then routed to the BOD for review. A final report shall be given to the Board within (2) two weeks prior to the annual meeting. The report will present an outline of all accounts, processes and procedures reviewed during the audit; highlighting the results,

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with recommendations to correct any deficiency uncovered during the audit. The BOD shall address all deficiencies and make a report to the membership at the annual meeting on the action taken to correct the items of concern.

Board of Director's Approval: