

# **AAPG Foundation Audit Committee Charter**

## **Purpose**

The Audit Committee of The American Association of Petroleum Geologists Foundation advises the Foundation Trustees in discharging its oversight responsibilities relating to :

- a. the accounting, financial reporting, and financial practices of the AAPG Foundation, including the integrity of all AAPG Foundation financial statements;
- b. administrative and financial controls, the system of internal controls over financial reporting, the functionality of the accounting and financial systems, and monitoring compliance with legal and regulatory requirements;
- c. the external independent auditors' qualifications, independence, and ongoing performance.

## **Members**

The Audit Committee will consist of the Foundation Treasurer, and two other Foundation Trustees or Foundation Associates deemed to have an interest and/or experience in financial reporting, auditing, and financial controls. The Audit Committee, itself, shall recommend to the Foundation Chairman which of its three members shall be the Audit Committee chairman. The Foundation Chairman shall appoint the Audit Committee Chairman from among the three members of the Foundation Audit Committee.

## **Responsibilities**

The Foundation Audit Committee has the following responsibilities:

- a. Review and recommend the selection of the Foundation's external independent auditors to the Trustees of the Foundation on an annual basis.
- b. Oversee the independence of the selected external independent auditors, including receipt of a formal written statement from them, delineating all relationships between the external independent auditors and AAPG.
- c. Meet with the external independent auditors and financial management of the AAPG Foundation to review the scope and plan of the proposed audit for the current fiscal year. At the conclusion of the audit, review significant findings and any comments or recommendations of the external independent auditors, including the status of previous audit recommendations, together with

management's responses, and the adequacy and effectiveness of the accounting and financial controls, systems, and procedures of the AAPG Foundation.

- d. Meet with the external independent auditors and/or management to discuss any matters that the Foundation Audit Committee, the external independent auditors, or management believe should be discussed privately with the Audit Committee.
- e. Provide to the Trustees of the Foundation a summary of each meeting of the Audit Committee.

Although the Foundation Audit Committee has the responsibilities set forth in this Charter, it is not the duty of the Audit Committee, itself, to prepare financial statements, plan or conduct audits, or determine that AAPG's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of AAPG Foundation management and the external independent auditors. The members of the Foundation Audit Committee are not professionally engaged in the practice of auditing or accounting. Members of the Foundation Audit Committee may rely without independent verification on information provided to them, and on the representations made by management and the external independent auditors.

### **Authority**

The Foundation Audit Committee has authority to study, review, and investigate matters within its scope of responsibility. It is specifically empowered to:

- a. seek any information it requires from management and, when the Foundation Audit Committee deems appropriate, other employees, members, or external parties; and
- b. meets with the external independent auditors or outside counsel, as necessary.

### **Meetings**

The Foundation Audit Committee will meet two times per fiscal year. It will meet once, prior to the audit by the external independent auditors, to review the scope and plan of the proposed audit for the current fiscal year. It will also meet within three months after the external audit is completed, to review the completed audit. It will report to the Trustees of the Foundation with respect to its meetings. The Audit Committee may also meet, as necessary, with appropriate representatives of management and/or the external independent auditors, or for other purposes deemed appropriate by the Audit Committee. A majority of the members of the Audit Committee shall constitute a quorum, and a meeting may be called by any two members of the Audit Committee.