

Audit Committee (Ad Hoc)v4

Board Approved February 16, 2023

Committee Charter

The purpose of the Audit Committee (the "Committee") is to assist the Board of Directors (the "Board") in fulfilling its oversight responsibilities concerning the financial reporting process, the system of internal controls, the audit process, and NANOG's processes for monitoring compliance with laws and regulations. The Audit Committee appoints the independent auditor.

- The Committee consists of at least three NANOG members in good standing, one of which must be a NANOG Board member, but may not have been the Executive Director or Treasurer for the year under consideration. The NANOG Board appoints the Committee. All members of the Committee should be financially literate. No member of the Committee, during its current fiscal year, or in the previous fiscal year, can have been an employee or contractor of NANOG who was compensated financially by NANOG.
- Any potential conflicts of interests must be presented to the Board of Directors for consideration.
- A Committee member serves a two year term, and no more than two consecutive terms. Committee member terms are to be staggered.
- The Committee must meet at least twice a year. Once for audit preparation, and again for audit review. A third meeting may be required to determine if any action is necessary in response to the outside auditor's Board letter. Board members who are not members of the Committee can not attend meetings of the Committee, unless invited by the Committee.
- A majority of the Committee constitutes a quorum at any given meeting. The action of that quorum, at a given session, will be the action of the Committee.

Roles and Responsibilities

The Committee provides oversight to ensure that NANOG has an adequate system of internal controls to safeguard assets, and for the preparation of financial statements. This includes:

- Periodically reviewing and assessing the adequacy of the Committee's charter.
- Attending any other financial matters as directed by the Board.

To meet its responsibilities, the Committee will do the following:

August:

- Determine if a change in the independent auditor is warranted. This is normally done every 5 years. Send RFPs if a change is desired.
- Become acquainted with NANOG's financial internal controls and management's handling of NANOG's significant financial exposure.

October:

If there was an RFP and proposal have been submitted from one or more outside auditors:

- Review the outside auditor's qualifications, independence, and performance.
- Review the scope, approach, and cost of the audit.
- Select an auditor and recommend contract execution to the Board of Directors.

March:

- Within 30 days of receiving draft audit documents the Committee must:
 - Review the annual statements provided by the third-party auditors. The committee is not responsible to ensure that the financials are accurate, that is the job of the auditor. The committee is responsible for reviewing the auditor's findings and recommendations.
 - Review with the outside auditor any audit problems or difficulties and management's response.
 - Review significant accounting and reporting developments and issues.
- Upon satisfactory review with the auditors, provide a final draft of audited financial statements to the Board of Directors.
- Evaluate the work of the outside auditor preparing or issuing an audit or any related work (including resolution of disagreements between management and the outside auditor regarding financial reporting).

May:

- Review the auditor's Board letter with any suggestions for improvements.
- Establish procedures for the acceptance, retention, and treatment of complaints or concerns received by NANOG regarding accounting, internal accounting controls, or auditing matters, including confidential and anonymous submissions from employees.

Dates of previous Auditors:

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Fiscal Years 2016, 2017, 2018, 2019

Andrews Hooper Pavlic, PLLC

Fiscal Years 2020, 2021, 2022