

# Sovrin Audit Committee Charter

**Version 1**  
**2019-03-27**



<https://sovrin.org>

# Audit Committee

*This charter contains the content required by [Sovrin Governing Body Policies](#). This charter was approved by the Sovrin Foundation Board of Trustees on 27 March 2019 and is listed in [Sovrin Governing Bodies](#). All terms in First Letter Capitals not defined in this document are defined in the [Sovrin Glossary](#).*

To participate directly in this Sovrin Governing Body, please visit its [Meeting Page](#).

## Charter Version and Date

Version: 1.0

Date approved by Sovrin Board of Trustees: 2019-03-27

[Link to the Sovrin Board of Trustees meeting minutes](#)

## Governing Policies

All Sovrin Governing Bodies inherit the base set of policies defined in [Sovrin Governing Body Policies](#), including chartering, membership, chairpersons, facilitators, subgroups, funding, voting, intellectual property rights, meetings, and meeting pages. This charter defines extensions to these policies specific to this Sovrin Governing Body.

## Status

This Sovrin Governing Body is organized as a **committee** as defined in [Sovrin Governing Body Policies](#).

## Purpose

The purpose of the Audit Committee is to provide oversight of the Sovrin Foundation's financial reporting, internal control systems, risk management systems, and internal and external audit functions.

## Principles

All Sovrin Governing Bodies operate under the Core Principles in section 2 of the [Sovrin Governance Framework Master Document V2](#).

## Activities and Duties

The specific responsibilities of the Audit Committee are:

1. Assist the Board of Trustees (BoT) in fulfilling its oversight responsibility with respect to the financial reporting process, the system of internal controls, the audit process and the Sovrin Foundation's process for monitoring compliance with laws and regulations.
2. Appoint and manage the outside independent auditor.
3. Assist the BoT in its responsibility with respect to risk management, including but not limited to monitoring compliance with Sovrin Governance Framework, and monitoring compliance with network performance benchmarks.
4. Appoint and manage any external Auditors.

In fulfilling its responsibility for financial auditing, the Committee shall:

1. Be directly responsible for the appointment, compensation, retention, and oversight including evaluation of 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) and the outside Auditor shall report directly to the Committee.
2. Review the outside auditor's qualifications, independence and performance.
3. Approve the scope, approach, and cost of the audit.
4. Review the Sovrin Foundation's internal audit function, including review of the committee charter, activities, staffing, and organizational structure of the internal audit function.
5. Review significant accounting and reporting developments and issues.
6. Review the annual financial statements audited by the outside auditors.
7. Review suggestions for improvements in internal controls from the internal and outside auditors.
8. Review and monitor the Sovrin Foundation's internal controls and exercise oversight of management's handling of the Sovrin Foundation's major financial exposures.
9. Review with the outside auditor any audit problems or difficulties and management's response.
10. Establish procedures for the receipt, retention, and treatment of complaints or concerns received by the Sovrin Foundation regarding accounting, internal accounting controls, or

auditing matters, including confidential, anonymous submissions from employees.

In fulfilling its other auditing functions, the Committee shall:

1. Exercise oversight of the Sovrin Foundation's process for monitoring compliance with legal and regulatory requirements.
2. Review and make recommendations to the BoT with respect to retention of the independent auditor, and the audit functions.
3. Periodically review and assess the adequacy of the Committee's charter and make recommendations to the Management and Governance Committee of changes.
4. Conduct an annual performance evaluation of the Committee and report its findings to the Chair of the BoT.
5. Attend to such other matters as the BoT may from time to time determine.
6. Maintain minutes of Committee meetings and report regularly to the BoT.

The Committee is not directly responsible for any [Controlled Documents](#).

## **Membership**

1. The Audit Committee shall have five members, including the chairperson.
2. The members shall be appointed by the Sovrin BoT.
3. All members shall serve one-year terms.
4. All members should be financially literate.
5. At least one member should have an accounting background or related financial management experience.
6. No member may in the current or previous fiscal year have been associated in the capacity of an employee or compensated officer of the Sovrin Foundation.
7. No member may accept, either directly or indirectly, any consulting, advisory, or other compensatory fee from the Sovrin Foundation.

## **Chairperson(s)**

The Audit Committee shall have one chairperson and one vice-chairperson elected by the committee members.

## **Facilitator(s)**

N/A

## Voting

All Sovrin Governing Bodies strive to reach decisions by consensus. When necessary, voting will be conducted as specified in [Sovrin Governing Body Policies](#).

## Funding

The Audit Committee may request funding for its activities from the Sovrin BoT. The Audit Committee may expend funds consistent with its oversight responsibilities. The Audit Committee may reallocate budgeted funds to accomplish its purposes with notification to the Executive Director.

## Meeting Schedule

The Audit Committee intends to hold virtual meetings on a schedule to be agreed on among the members. Face-to-face meetings shall be held as needed.

## Meeting Page

All Sovrin Governing Bodies are required to maintain a meeting page with full information about the group, current documents, and how to participate in meetings. Follow this link to the [Audit Committee meeting page](#).

## Version History

As required by [Sovrin Governing Body Policies](#), this table is a history of all versions of this charter.

Version	Date	Link and Description
1	2019-03-27	This document