COMMITTEES OF THE COUNCIL

Ad Hoc Committees

The Council board may establish ad hoc committees of the Council to address specific matters and issues as needed. The Chair of the Council shall appoint the members of any ad hoc committee and the committee chair. Each committee member shall serve until his or her resignation, his or her Council term expires, or the Chair of the Council removes him or her from the Committee. An ad hoc committee shall be dissolved when its mandate is finished.

Audit Committee

The Council board has established a standing audit committee. The Chair of the Council shall appoint the members of the audit committee and the committee chair. Each audit committee member shall serve until his or her resignation, his or her Council term expires, or the Chair of the Council removes him or her from the audit committee. The audit committee shall meet as a committee at least quarterly. The audit committee chair shall report annually to the Council board regarding the matters over which the audit committee has responsibility and oversight. The audit committee chair may report to the Council board more frequently.

The audit committee shall have responsibility for oversight and compliance with the following:
- Operational compliance with State statutes, Council policies and internal procedures.
- The effectiveness of processes and controls for risk management, particularly with regard to the movement of money.
- The effectiveness of processes and controls for program compliance, provider compliance and contract compliance, including the accurate payment of external manager fees.
- Reconciliation of all account balances as reported by the managers and the custodian.
- Oversee the Council’s internal auditor (the “Internal Auditor”) role in fulfilling the audit committee’s responsibilities.
- Oversee external audits of the Council and the funds it manages.

The following shall apply to all external audits of the Council and the funds it manages:
- The Internal Auditor shall keep the audit committee timely informed of all phases of the external audit process and all potential concerns and findings raised by the external auditor throughout the audit process.
- The external auditor shall have direct access to the audit committee, and the audit committee shall have direct access to the external auditor throughout the audit process.
- All material findings of the external audit shall be reported by the audit committee chair to the Council in a timely and appropriate manner.

The audit committee shall have direct access to the Internal Auditor, and the Internal Auditor shall have direct access to the audit committee. The Internal Auditor shall have the right to report any concern directly to the audit committee. If a potential issue or concern would not be adequately addressed by reporting it to the State Investment Officer, then the Internal Auditor shall report such issue or concern directly to the audit committee. At least annually the audit committee shall meet with the Internal Auditor to discuss and review matters over which the audit committee has responsibility. The audit committee shall provide to the State Investment Officer input with respect to the Internal Auditor’s annual performance review. The Internal Auditor may not be removed without the consent of the audit committee. When hiring an Internal Auditor, the State Investment Officer shall involve the audit committee in the interview process; provided, however, that the State Investment Officer shall have the sole discretion to select and hire the Internal Auditor.